

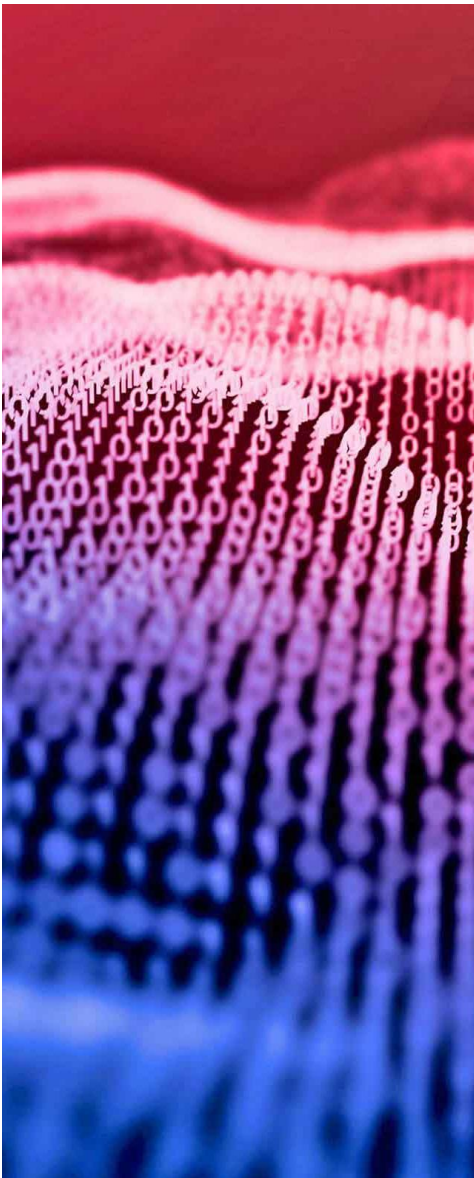
BUDGET 2026 HIGHLIGHTS

Singapore



THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | ADVISORY | BUSINESS SOLUTIONS

Accelerate AI Adoption

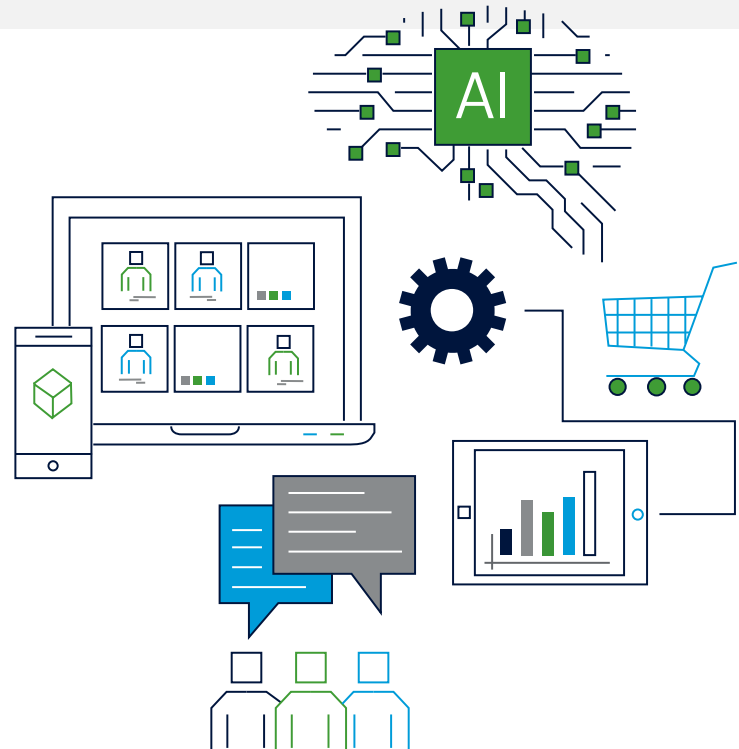


Enterprise Innovation Scheme (EIS)

- 400% tax deductions/ allowances under the EIS will be expanded to include qualifying AI expenditures incurred in YA 2027 and YA 2028, subject to an expenditure cap of S\$50,000 per YA
- Option to convert these benefits into a non-taxable cash payout will not be available
- The list of partner institutions will be expanded to include the Sectoral AI Centre of Excellence for Manufacturing
- IRAS will release more details on these enhancements by mid-2026

Productivity Solutions Grant (PSG)

- A wider range of AI-enabled solutions will be made available for businesses under the PSG



This Budget signals a strong push to make AI accessible and actionable for businesses of all sizes. Companies are encouraged to take proactive steps to leverage the support measures announced by adopting AI, upskilling their workforce and tapping available schemes to enhance productivity, so as to remain competitive and successful in an increasingly AI-enabled business environment.



Support for Internationalisation



Note 1:

Borrower Group consists of the following:

- Borrower
- Corporate shareholders holding more than 50% at all levels up
- Subsidiaries where the borrower holds more than 50% shareholdings and subsequent subsidiaries at all levels down
- Subsidiaries where the borrower's ultimate parent company holds more than 50% shareholdings and their subsidiaries at all levels down

Double Tax Deduction for Internationalisation (DTDi) Scheme

- To continue supporting businesses in their internationalisation efforts, the S\$150,000 expenditure cap for claims without prior approval will be raised to S\$400,000 per YA, from YA2027.
- Eligible expenses will be expanded to include those incurred on overseas market development trips and overseas investment study trips, and the following qualifying activities:
 - Investment feasibility/ due diligence studies
 - Master licensing and franchising
 - Market surveys/ feasibility studies
 - Overseas business development
 - Production of corporate brochures for overseas distribution

Market Readiness Assistance (MRA) Grant

- The MRA grant supports local SMEs with overseas expansion costs of up to 50% (capped at S\$100,000 per new market) until 31 March 2026. The grant support will be increased to 70% of eligible costs, up till 31 March 2029.
- From the second half of 2026, the requirement for companies to be 'new to target overseas market' will be removed, allowing SMEs to also deepen their presence in existing markets

Enterprise Financing Scheme (EFS)

- EFS will be enhanced from 1 April 2026 with the borrower and borrower group¹ caps for each loan facility lifted, subject to an overall loan exposure limit of S\$50 million per borrower group across all EFS facilities to better support trade and fixed asset financing



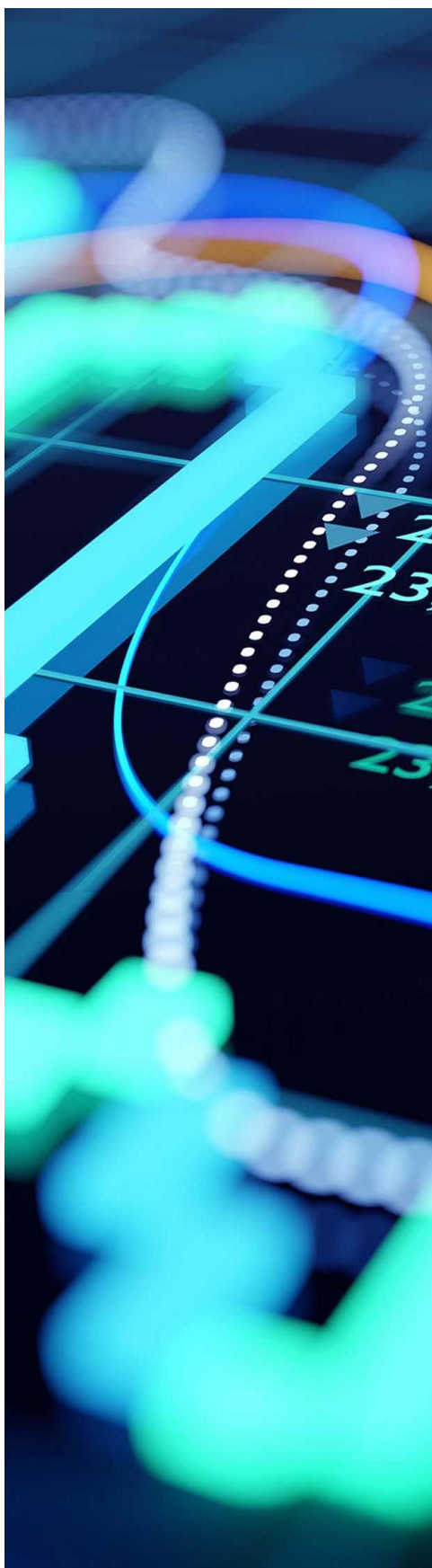
Budget 2026 reinforces the Government's continuous support for SMEs in their overseas expansion efforts through schemes such as the DTDi and MRA Grant.

As companies expand into new markets, they will inevitably face a range of cross-border tax and regulatory considerations, including corporate income tax, withholding tax, transfer pricing, and permanent establishment risks. Companies are encouraged to seek proper advice and put in place appropriate operating and tax structures early to support sustainable growth and avoid unintended tax exposures.

The enhanced DTDi and MRA Grant will help alleviate the costs and risks associated with entering and operating in foreign markets.



Corporate and Businesses

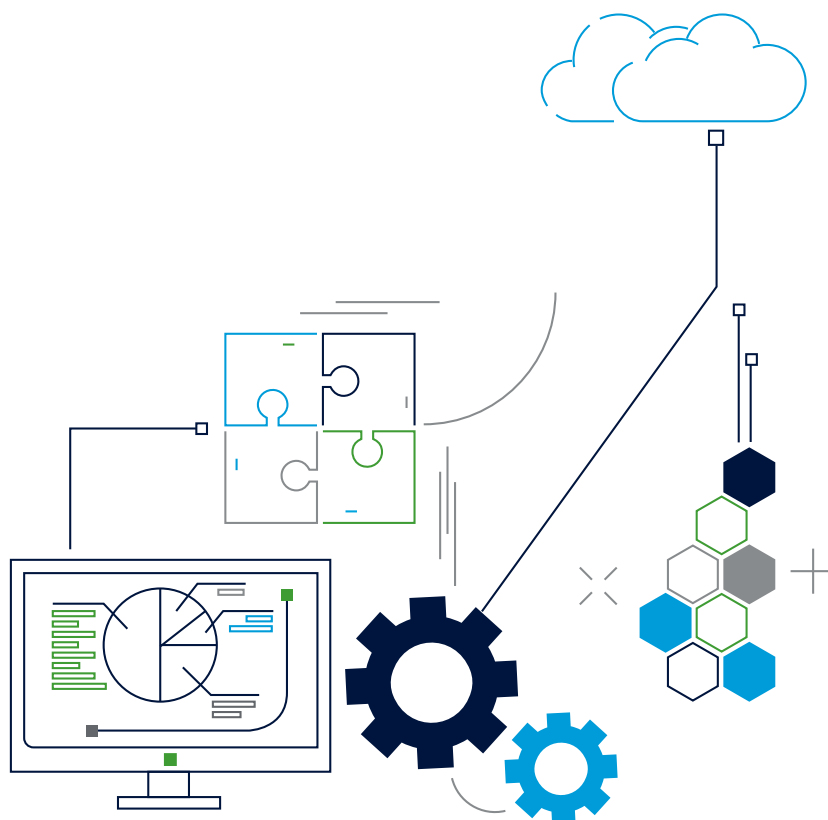


Corporate Income Tax (CIT) Rebate and Cash Grant

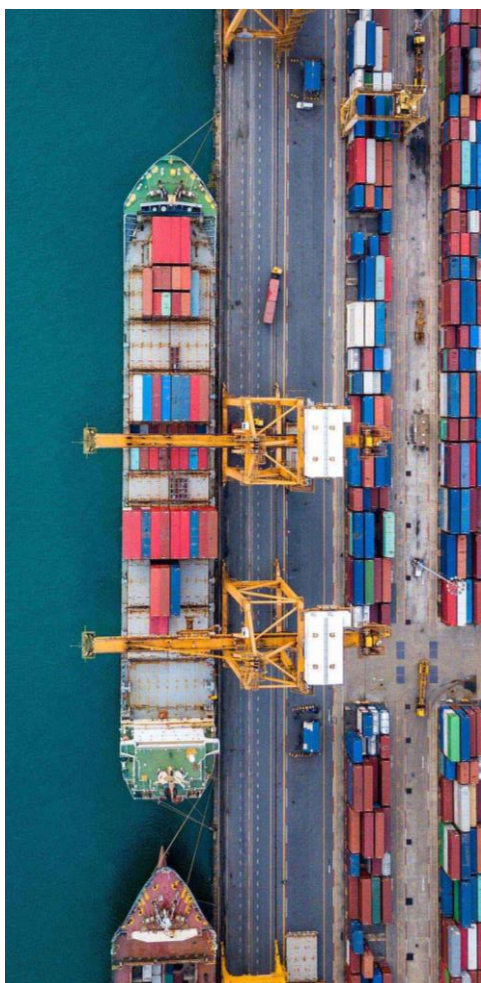
- Eligible businesses will enjoy a 40% CIT rebate in YA2026
- Active companies that employed at least one local employee in 2025 will receive a CIT cash grant of S\$1,500
- Total benefits (CIT rebate and cash grant) are capped at S\$30,000 per company for YA 2026

250% Tax Deduction for Qualifying Donations & Corporate Volunteer Scheme (CVS)

- 250% tax deduction for qualifying donations made to Institutions of a Public Character (IPCs) and other eligible institutions has been extended till 31 December 2029
- 250% tax deduction on qualifying expenditure (such as wages) incurred under the CVS for sending employees to volunteer at, provide services to, or seconding employees to IPCs (capped at S\$250,000 per business per YA and S\$100,000 per IPC per calendar year) has been extended till 31 December 2029



Tax Incentives



Global Trader Programme (GTP)

- GTP scheme has been extended till 31 December 2031
- The list of qualifying commodities will be expanded to include Environmental Attribute Certificates from 13 February 2026

Finance and Treasury Centre (FTC) Incentive

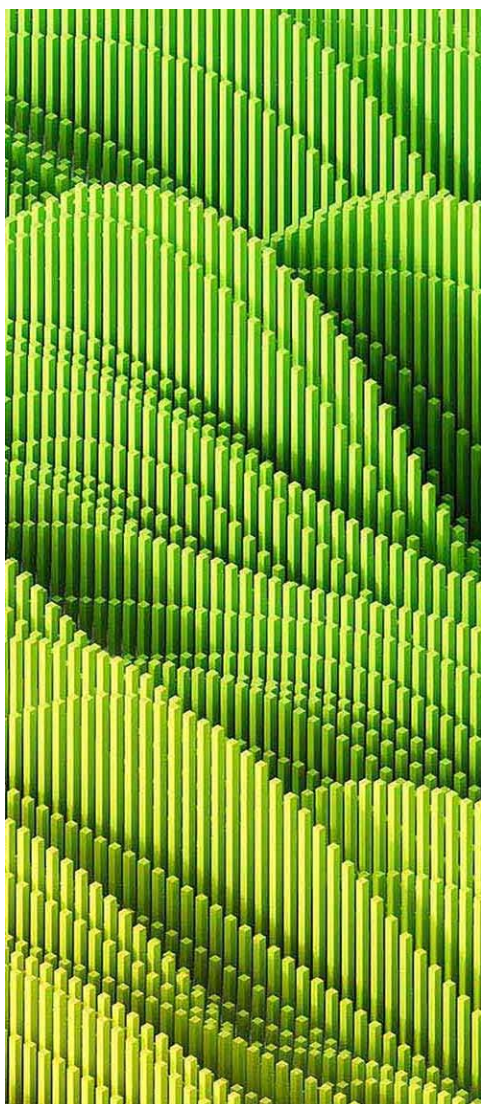
- FTC incentive has been extended till 31 December 2031
- Withholding tax exemptions will be expanded to cover interest-like borrowing costs on qualifying loans from 13 February 2026

Not-for-Profit Organisation Tax Incentive (NPOTI)

- NPOTI has been extended till 31 December 2032



Manpower Costs



Revision of Minimum Salary for Employment Pass (EP) and S Pass Holders

- The minimum qualifying salary for EP applications will increase from S\$5,600 to S\$6,000, with higher salary level for Financial Services sector, from S\$6,200 to S\$6,600
- For S Pass applications, the minimum qualifying salary will increase from S\$3,300 to S\$3,600, with higher salary level for Financial Services sector, from S\$3,800 to S\$4,000

Foreign Worker Levy (FWL) Rates

- Levies for basic-skilled workers in the Marine Shipyard and Process Sectors will be raised by S\$100 and S\$150 respectively
- The current tiered levy structure for the Manufacturing and Services Sectors will be simplified
- These changes will take effect from 2028

Progressive Wage Credit Scheme (PWCS)

- PWCS co-funding support has been enhanced from 20% to 30% for wage increases in year 2026
- PWCS co-funding support will be extended to year 2027(30%) and year 2028 (20%)
- Minimum qualifying wage increase under PWCS to be raised from S\$100 (for qualifying year 2026) to S\$200 (for qualifying years 2027 and 2028)



The minimum qualifying salaries for EP and S Pass holders continue to rise, reinforcing Singapore's focus on workforce quality while inevitably increasing the cost of doing business.

To manage these rising costs, companies should accelerate AI adoption to improve productivity and enable a shift towards higher value-added roles. In addition, businesses should look beyond Singapore by expanding into overseas markets to access wider talent pools and new growth opportunities.

Together, technology adoption and internationalisation will be key to managing rising costs and sustaining long-term competitiveness.



Our Tax Services

INTERNATIONAL, CORPORATE & PERSONAL TAX PLANNING AND ADVISORY

- Outbound and inbound investment and business structuring
- Group restructuring and rationalisation and pre-IPO advisory
- M&A advisory, due diligence reviews and stamp duty relief applications
- Identify tax incentive opportunities and tax incentive applications
- Intellectual property strategy and planning and global supply chain management
- Investment fund structuring and MAS tax incentive applications
- Tax audit, tax investigation and dispute resolution services
- Global mobility services, personal tax planning, FATCA and CRS advisory and reporting
- Review of Tax Governance Framework and Tax Risk Management and Control Framework for Corporate Income Tax initiatives



TRANSFER PRICING (TP)

- Comprehensive TP compliance services including preparation of TP documentation
- Operational TP support including policy development and implementation of governance and operational processes
- TP health-check and risk assessment including preparation of audit defence documentation
- TP audit management, address controversies and support dispute resolution
- Advance Pricing Arrangements and rulings
- Country-by-Country Reporting



GOODS & SERVICES TAX (GST)

GST compliance and filing

- Preparation and e-filing of GST returns
- Rectify errors in past filings and volunteer to report them under IRAS Voluntary Disclosure Programme

Consulting services and specialised support

- Advice on complex cross-border transactions and digital economy services
- Due diligence reviews for M&A transactions
- Dispute resolution support and representation in GST audit and investigation
- Health-check reviews of processes and accounting records to identify risks and rectify errors
- Support for businesses which adopt the nationwide InvoiceNow initiative
- Develop customised training programmes and conduct GST training and workshops

IRAS Schemes and Programmes

- GST Schemes certifications including the Major Exporter Scheme
- Assisted Self-Help Kit (ASK) and Assisted Compliance Assurance Programme (ACAP) reviews



PRIVATE CLIENT | FAMILY OFFICE | WEALTH PLANNING

- Establish a robust succession plan and governance structure which aligns with the family's wishes and facilitates a smooth transfer of wealth across generations
- Implement an efficient structure to safeguard family assets against litigation, creditor exposure and political or market instability
- Advice on an optimal family office structure (including tax incentive application), putting in place a family constitution and governance framework to manage and resolve potential family conflicts
- Business exit planning including M&A support, IPO readiness and business sale negotiations



Our Tax Specialists

Our experienced team of tax professionals has international and domestic capabilities, with in-depth expertise across the full breadth of tax issues. We are equipped to help you stay abreast of legislative changes. Regardless of your company's size, industry or stage of growth and expansion, we take pride in delivering holistic, integrated and bespoke solutions to address an array of challenging and complex issues that you can rely on.



Koh Puay Hoon

Partner & Head of Tax Advisory

+65 6594 7820
KohPuayHoon@RSMSingapore.sg



Law Wei Lin

Partner, International Tax

+65 6715 1164
LawWeiLin@RSMSingapore.sg



Joanna Lam

Partner, Transfer Pricing

+65 6594 7896
JoannaLamLY@RSMSingapore.sg



Richard Ong

Partner, Goods & Services Tax

+65 6594 7821
RichardOngBH@RSMSingapore.sg



Chua Hwee Theng

Partner, Corporate Tax

+65 6594 7319
ChuaHweeTheng@RSMSingapore.sg



Cindy Lim

Senior Advisor, International Tax

+65 6594 7852
CindyLimLH@RSMSingapore.sg



Andrew Tan

Senior Director, Dispute Resolution

+65 6594 7859
AndrewTanBL@RSMSingapore.sg



Alice Chan

Director, International Tax

+65 6715 1159
AliceChanSY@RSMSingapore.sg



Prerna Bathija

Director, Transfer Pricing

+65 6715 1175
PrernaBathija@RSMSingapore.sg



Teo Hui Qi

Director, Goods & Services Tax

+65 6594 7860
TeoHuiQi@RSMSingapore.sg



Seraphina Qiu

Director, Goods & Services Tax

+65 6715 1187
SeraphinaQiuRR@RSMSingapore.sg



Wang Chai Hong

Director, Corporate Tax

+65 6594 7450
WangChaiHong@RSMSingapore.sg



Kwek Jia Sing

Director, Corporate Tax

+65 6715 1140
KwekJiaSing@RSMSingapore.sg



Ivy Chiong

Director, Corporate Tax

+65 6594 7442
IvyChiongGT@RSMSingapore.sg



Sivelingam Chelvom

Director, Corporate Tax

+65 6594 7441
SivelingamChelvom@RSMSingapore.sg



Cheah Paik An

Director, Tax Technical

+65 6594 7819
CheahPaikAn@RSMSingapore.sg

www.RSMSingapore.sg

8 Wilkie Road
#03-08, Wilkie Edge
Singapore 228095
T +65 6533 7600

RSM entities in Singapore are collectively members of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2026