

Tax Incentives for Businesses

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There are various types of tax incentives available in Singapore for businesses. If you are considering making an investment in Singapore or expanding your existing investment in Singapore, this document serves as a useful resource for you.

We provide in this write-up some key tax incentives which are subject to an approval process that is administered by various government agencies, including the **Economic Development Board (“EDB”)**, **Enterprise Singapore**, **Maritime Port Authority of Singapore (“MPA”)**, and **Monetary Authority of Singapore (“MAS”)**. Generally, companies applying for such tax incentives are expected to carry out substantive, high value activities in Singapore, and will be required to commit to certain levels of local business spending, fixed asset investment and hiring of skilled employees.

Overview of industry-specific tax incentives that are subject to an approval process

Administering agency	Type of incentive	What they offer
EDB	Pioneer Certificate (“PC”) Incentive	<ul style="list-style-type: none">Corporate tax exemption on income derived from the manufacturing of pioneer products or provision of qualifying activitiesIncentive period: initial 5 years (extension is possible. Total tax relief period must not in total exceed 15 years)
	Development and Expansion Incentive (“DEI”)	<ul style="list-style-type: none">Concessional tax rate of 5%/10%/15% on qualifying income, in excess of the base income, derived from qualifying activitiesIncentive period: initial 5 years (extension is possible. Total tax relief period must not in aggregate exceed 40 years)
	Finance & Treasury Centre (“FTC”) Incentive	<ul style="list-style-type: none">Concessional tax rate of 8%/10% on qualifying income from qualifying FTC services/activitiesIncentive period: 5 years
	Intellectual Property (“IP”) Development Incentive (“IDI”)	<ul style="list-style-type: none">Applied for as a standalone incentive or tied in with a Pioneer service incentive or DEI (including Headquarter)Concessional tax rate of 5%/10%/15% would be imposed on a percentage of the qualifying IP income derived during the incentive periodIncentive period: Tie-in with a Primary Incentive or for standalone award is 5 years (extension is possible)
Enterprise Singapore	Global Trader Programme (“GTP”)	<ul style="list-style-type: none">Concessional tax rate of 5%/10%/15% on income derived from qualifying trading incomeIncentive period: 3 or 5 years (extension is possible)
EDB or Enterprise Singapore	Corporate Income Tax (“CIT”) Rebate for new corporate listings in Singapore	<ul style="list-style-type: none">10% or 20% CIT Rebate capped at S\$3 million or S\$6 million per year of assessmentIncentive period: 5 years (non-renewable)
MPA	Maritime Sector Incentive – Approved International Shipping Enterprise (“MSI-AIS”)	<ul style="list-style-type: none">Corporate tax exemption on qualifying shipping incomeIncentive period: 10 years (renewable period) or 5 years (non-renewable), with the option of graduating to the 10-year renewable award at the end of the 5-year period, if qualifying conditions are met

Administering agency	Type of incentive	What they offer
MAS	Sections 13D, 13O and 13U tax incentive schemes for funds	<ul style="list-style-type: none"> Corporate tax exemption on specified income from designated investments. Incentive period: life of the fund (for sections 13O and 13U tax incentive schemes)
	Financial Sector Incentive – Fund Management (“FSI-FM”)	<ul style="list-style-type: none"> Concessionary tax rate of 10% on qualifying income from qualifying fund management activities. Concessionary tax rate of 5% on qualifying income for newly listed fund managers. Corporate tax exemption on qualifying income arising from management of funds investing substantially in Singapore-listed equities.

How Baker Tilly can assist

Baker Tilly can assist you with the application of the tax incentive which amongst others include:-

Prior to the application of the tax incentive:

- Identify and evaluate applicable tax incentives
- Understand the details of the tax incentive which includes tax benefits, qualifying criteria, commitment requirements, etc.
- Review and comment on any business plans for purposes of the application

During the application of the tax incentive:

- Accompany you to meet with the administering agency to discuss and negotiate on the applicable tax incentives, milestones and conditions
- Review the draft tax incentive application documents
- Assist to respond to any subsequent queries raised by the administering agency

Upon the approval of the tax incentive application:

- Review the tax incentive award letter to ensure that the terms and conditions are in accordance with the discussions with the administering agency

Contact us

If you are considering a tax incentive application, or would like to learn more about Baker Tilly’s services, please reach out to us:

Meet our Tax Specialists		
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