

CCS-MS Budget Webinar 2026

Thursday, 5 March 2026





Programme Highlights

2.00pm – 2.05pm
(5 mins)

Opening Address

Speaker: Mr. Lim Peng Huat
Senior Director, Taxation Services, CCS

2.05pm – 2.35pm
(30 mins)

Highlights of the 2026 Budget Measures

Speaker: Mr. Bernard Juay
Senior Director, Tax & Business Advisory, CCS

Speaker: Ms. Law Pei Serh
Director, Taxation Services, CCS

2.35pm – 2.50pm
(15 mins)

Discussion on Recent Tax Updates and Developments

Speaker: Mr. Lim Peng Huat
Senior Director, Taxation Services, CCS

2.50pm – 3.05pm
(15 mins)

GST InvoiceNow: Insights and Implications

Speaker: Mr. Jerome Goh
Senior Manager, Taxation Services, CCS

3.05pm – 3.35pm
(25 mins)

Economic & Market Outlook for 2026: Risks & Opportunities

Speaker: Mr. Song Seng Wun
Independent Economist

3.35pm – 3.40pm
(5 mins)

Break

3.40pm – 4.00pm
(20 mins)

Panel Discussion

Moderator: Mr. Tan Lip Kiam
Partner, Assurance & Advisory, Moore Singapore

Panellists:
Mr. Song Seng Wun, Mr. Lim Peng Huat, Mr. Bernard Juay
and Ms. Law Pei Serh

4:00pm

End of Webinar

Opening Address



Lim Peng Huat

Senior Director
Taxation Services
Complete Corporate Services (CCS)



Highlights of the 2026 Budget Measures



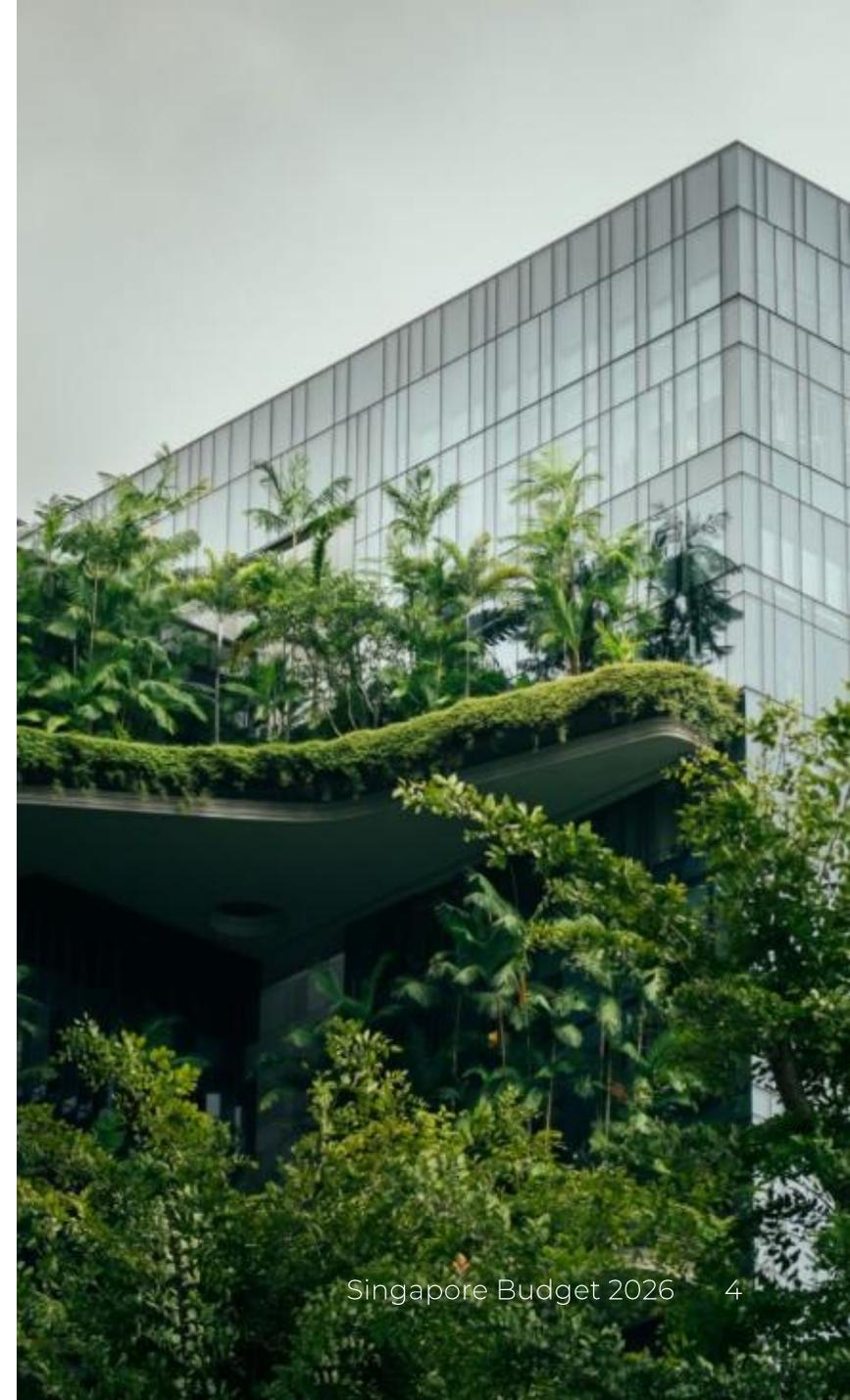
Bernard Juay

Senior Director
Tax & Business Advisory
Complete Corporate Services (CCS)



Law Pei Serh

Director
Taxation Services
Complete Corporate Services (CCS)





Accelerating Artificial Intelligence (AI) Adoption

Accelerating AI Adoption



Budget 2026 positions AI as a key driver of Singapore's long-term competitiveness



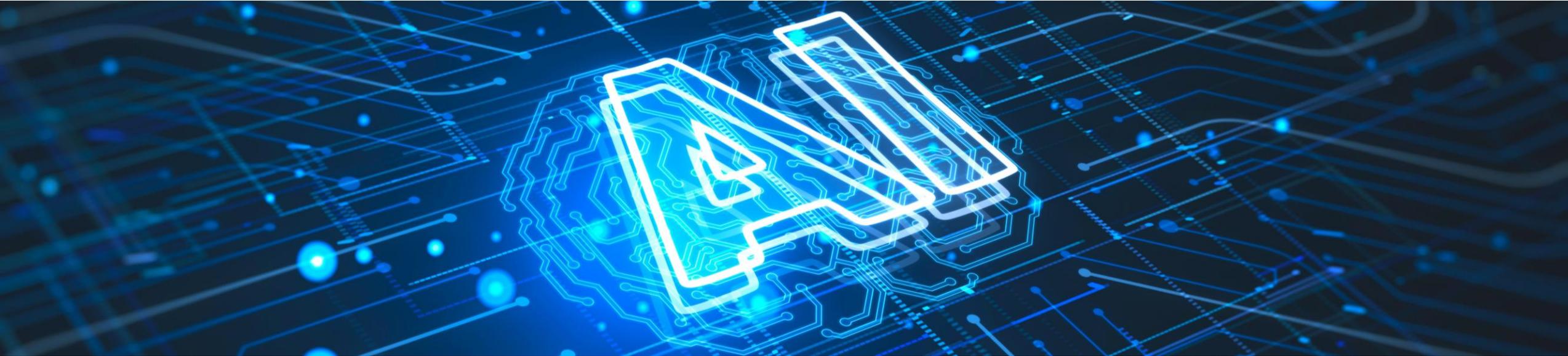
AI is treated as structural enabler of productivity and economic resilience



The Government recognises both opportunities and transitional challenges



Strategy focuses on coordinated, responsible and sector-wide deployment



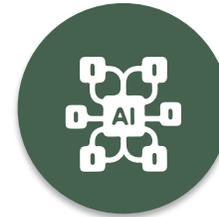
Why AI Matters for Singapore's Economic Strategy



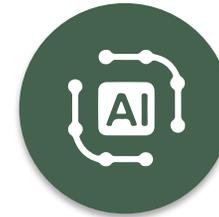
AI enhances productivity across industries



Helps mitigate labour constraints



Improves decision-making and automation



Emphasis on workforce augmentation rather than displacement

National AI Missions



Sector-specific AI Missions - Advanced Manufacturing, Finance, Healthcare, Connectivity



Alignment of research, regulation and investment promotion



Establishment of a Cabinet-Level National AI Council – signals long term commitment and regulatory coordination



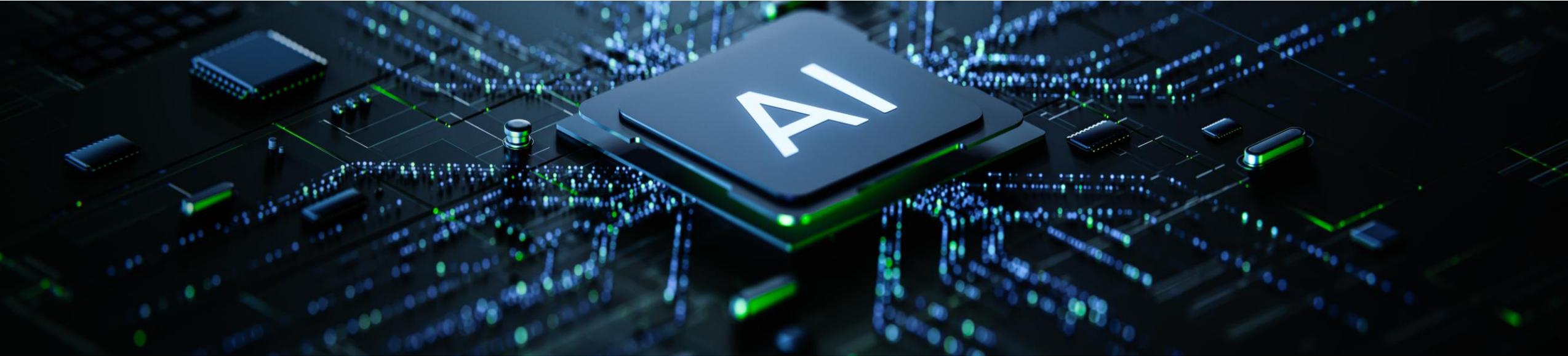
Introduction of a “Champions of AI” programme for enterprise transformation

Enterprise Innovation Scheme (“EIS”)

Current

The EIS allows qualifying businesses to claim 400% tax deductions or allowances on qualifying expenditure incurred on:

- Research and Development (“R&D”) activities
- Registration of Intellectual Property (“IP”)
- Acquisition and licensing of IP rights
- Eligible training courses
- Innovation projects with partner institutions



Enterprise Innovation Scheme (“EIS”)

AI Enhancements

AI expenditure recognised as a standalone qualifying category

400% tax deduction up to S\$50,000 of qualifying AI expenditure per Year of Assessment (“YA”)

Applies to YA 2027 and YA 2028

No cash conversion option

Further details expected from IRAS by mid-2026

Grant Support for AI Adoption

Productivity Solutions Grant (“PSG”) expanded to include more AI-enabled solutions

Reduces upfront implementation costs for businesses

JTC Corporation (“JTC”) to establish an AI Park at One-North

Focus on collaboration, testing and commercialisation

Strategy emphasises applied AI deployment

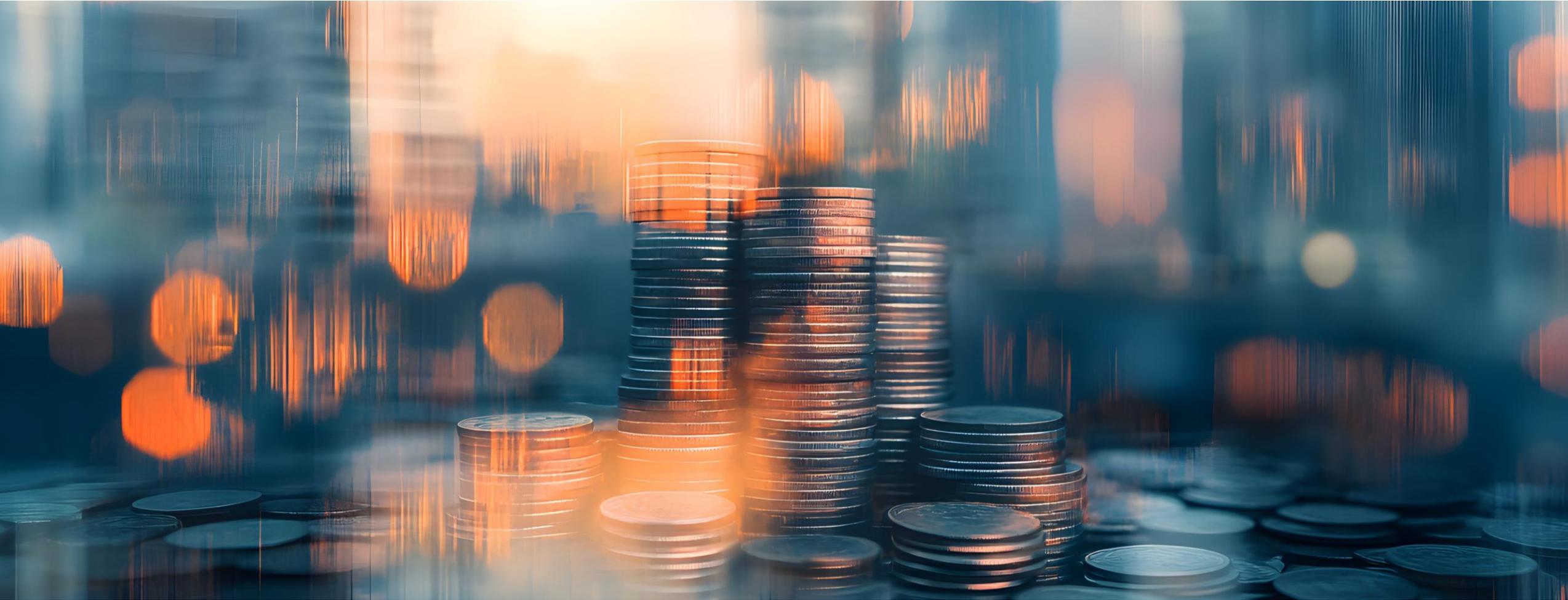
Raising AI Fluency Across the Workforce

Expansion of TechSkills Accelerator (“TeSA”) to non-technology professions

Initial focus on accountancy and legal sectors

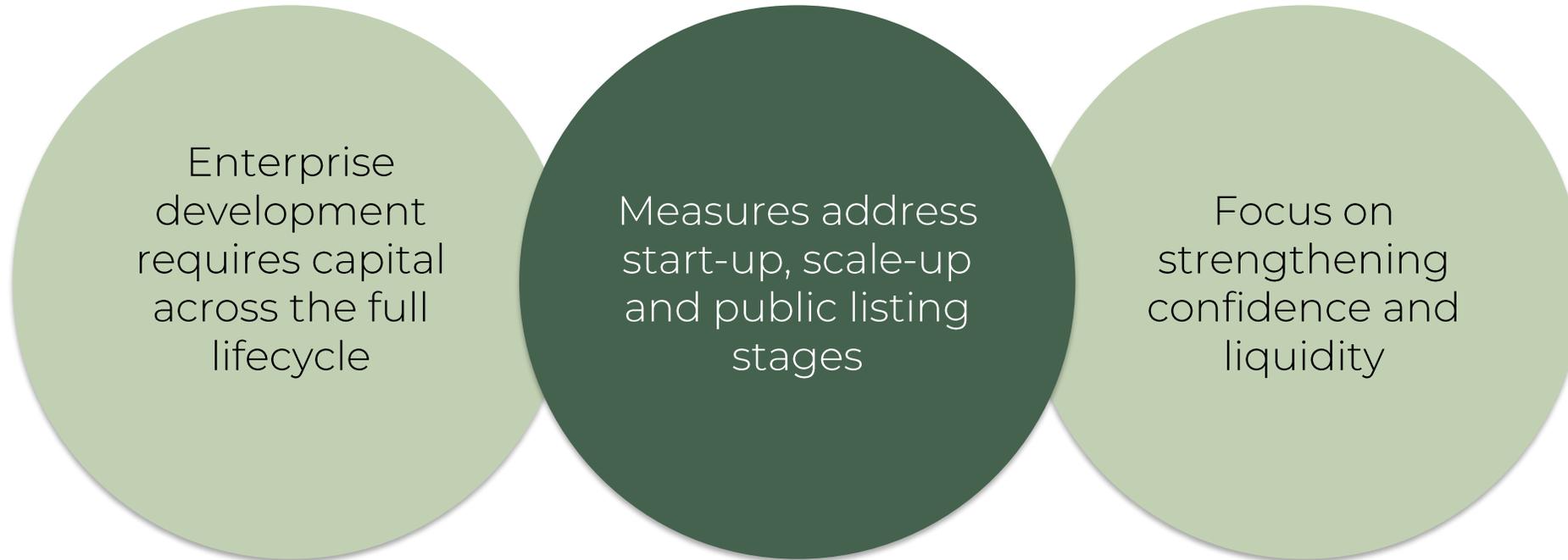
6 months complimentary access to premium AI tools

AI capability expected to become a baseline professional competency



Reinforcing Equity Market

Strengthening Singapore's Equity Market



Startup SG Equity

Established in Year 2017 to strengthen Singapore's start-up ecosystem

Budget 2026 Enhancements



Additional S\$1 billion allocated



Addresses funding gaps in capital-intensive sectors



Expansion beyond early-stage to growth-stage companies



Strengthens pipeline for eventual public listings

Anchor Fund

Established in Year 2022 with an initial S\$1.5 billion tranche to support high-growth companies in raising capital and listing on the Singapore Exchange (“SGX”)

Budget 2026 Enhancements



Second S\$1.5 billion tranche co-invested by the Government and Temasek



Provides cornerstone investment support



Enhances IPO confidence and stability



Strengthen SGX's attractiveness as listing venue

Equity Market Development Programme (“EQDP”)

Monetary Authority of Singapore (“MAS”) launched S\$5 billion EQDP in February 2025 to channel capital to selected fund managers to execute investment mandates

Approximately S\$3.95 billion has already been allocated to 9 fund managers focused on Singapore-listed equities

Budget 2026 Enhancements



Further S\$1.5 billion top-up to expand the programme



Strengthen market liquidity and investor demand



Corporate Tax Changes

Key Corporate Tax Measures

Corporate Income Tax (“CIT”) Rebate and Cash Grant

Global Trader Programme (“GTP”)

Finance and Treasury Centre (“FTC”) Incentive

Double Tax Deduction for Internationalisation (“DTDI”) Scheme

250% Tax Deduction for Qualifying Donations and Corporate Volunteer Scheme (“CVS”)

Existing Corporate Tax Rate

- No change to headline corporate tax rate – 17%
- No change to partial tax exemption for first S\$200,000 of chargeable income
 - 75% exemption up to the first S\$10,000
 - 50% exemption up to the next S\$190,000

<u>Chargeable income</u>	<u>% Tax exempt</u>	<u>Amount Tax exempt</u>
First S\$10,000	@75%	= S\$7,500
Next S\$190,000	@50%	= S\$95,000
Total S\$200,000		= S\$102,500



Corporate Income Tax (“CIT”) Rebate for Year of Assessment (“YA”) 2026

YA 2026: 40% CIT Rebate, capped at S\$30,000

(YA 2024 and YA 2025: 50% CIT Rebate, capped at S\$40,000)

YA 2026 CIT Rebate Cash Grant of S\$1,500

(YA 2024 and YA 2025: S\$2,000)

- Automatic disbursement of cash payout from Q2’2026 onwards
- Non-taxable cash grant
- Active companies (includes investment holding companies)
- Met the “local employee condition” i.e. made CPF contribution to at least one local employee (not shareholder-director) in the calendar year 2025.

The total CIT rebate and cash grant is capped at S\$30,000.

Will be automatically included in the tax assessment after YA 2026 ECI or Form C / C-S is filed with IRAS.



Corporate Income Tax (“CIT”) Rebate for Year of Assessment (“YA”) 2026

Illustration 1

YA 2026	No Cash Grant	Cash Grant of S\$1,500 Received
	S\$	S\$
Chargeable income (before exempt amount)	840,000	
(Less): Exempt amount		
75% on the first S\$10,000	(7,500)	
50% on the next S\$190,000	(95,000)	
Chargeable income (after exempt amount)	737,500	
Tax payable @ 17%	125,375.00	125,375.00
CIT rebate (40% of tax payable, capped at S\$30,000, net of grant)	(30,000.00)	(28,500.00)
Net tax payable	95,375.00	96,875.00

Corporate Income Tax (“CIT”) Rebate for Year of Assessment (“YA”) 2026

Illustration 2

YA 2026	No Cash Grant	Cash Grant of S\$1,500 Received
	S\$	S\$
Chargeable income (before exempt amount)	45,000	
(Less): Exempt amount		
75% on the first S\$10,000	(7,500)	
50% on the next S\$35,000	(17,500)	
Chargeable income (after exempt amount)	20,000	
Tax payable @ 17%	3,400.00	3,400.00
CIT rebate (40% of tax payable)	(1,360.00)	NIL 
Net tax payable	2,040.00	3,400.00

 Since the 40% rebate of S\$1,360 is lower than the cash grant of S\$1,500, no further CIT rebate is granted.



Global Trader Programme (“GTP”)

Global Trader Programme (“GTP”) Extension and Enhancement

Current

The GTP offers a concessionary tax rate of 5%, 10%, or 15% on qualifying income

3 years - entry-level, non-renewable award

5 years - renewable award

Qualifying income includes:

The scheme is scheduled to lapse after 31 December 2026.

Sales income from physical trading

Commission from brokering of physical trades

Derivative trading income

Income from structured commodity financing activities

Global Trader Programme (“GTP”) Extension and Enhancement



Extension of Scheme

The application window for GTP is extended to 31 December 2031



Expansion of Qualifying Commodities

The list of Qualifying commodities now include Environmental Attribute Certificates (effective 13 February 2026).



Finance & Treasury Centre (“FTC”) Incentive

Finance & Treasury Centre (“FTC”) Incentive Extension and Enhancements

Current

- For multinational groups using Singapore as a base for conducting strategic finance and treasury management activities.
- FTC scheme offers a concessionary tax rate of 8% or 10% for a 5-year period on qualifying income derived from:
- Qualifying income includes those from:-
 - Providing Qualifying services to approved network companies (ANCs); and
 - Qualifying FTC activities carried out by the approved FTC on its own account with funds obtained from qualifying sources.
- Withholding tax exemption is granted on interest payments on:-
 - Loans from foreign banks and non-bank financial institutions; and
 - Loans and deposits from ANCs outside Singapore.
- The incentive is scheduled to lapse after 31 December 2026.



Finance & Treasury Centre (“FTC”) Incentive Extension and Enhancements



Extension of Scheme

The FTC incentive is extended until 31 December 2031



Expanded Withholding Tax Exemption

Withholding tax exemption is expanded to include interest-like borrowing costs such as guarantee fees, Interest rate swap payment, Conversion fees/ amendment fees, Front-end fees/ back-end fees, etc. which are paid on or after 13 February 2026.



Double Tax Deduction for Internationalisation (“DTDI”) Scheme

Double Tax Deduction for Internationalisation (“DTDI”) Scheme

Current



Under the DTDi scheme, businesses are allowed a **200% tax deduction** on eligible expenses incurred on 16 qualifying market expansion and investment development activities.



No prior approval required for 9 activities* - Businesses can automatically claim 200% tax deduction on the first S\$150,000 of eligible expenses per YA.

* 9 activities are advertising in approved local trade publication, design of packaging for overseas markets, local trade fairs, overseas advertising and promotional campaign, overseas investment study trips, overseas market development trips, overseas trade fairs, product/service certification, and virtual trade fairs.

Double Tax Deduction for Internationalisation (“DTDI”) Scheme

Current

Prior approval is required for:-

- Expenses exceeding S\$150,000 on the above 9 activities*
- Expenses incurred on the remaining 7 qualifying activities#
- **Certain expenses** incurred on overseas market development trips and overseas investment study trips.

7 activities are investment feasibility/due diligence studies, master licensing and franchising, market surveys/feasibility studies, overseas business development, production of corporate brochures for overseas distribution, overseas trade offices, and e-commerce campaigns.

Double Tax Deduction for Internationalisation (“DTDI”) Scheme

Enhancements – For expenses incurred from YA 2027



The expenditure cap for claims that may be filed **without prior approval** will be raised from **S\$150,000 to S\$400,000** per YA.



All expenses incurred on overseas market development trips and overseas investment study trips will qualify for the Automatic DTD (i.e. **no prior approval required**).



No prior approval required for expenses incurred for the following **additional 5** (out of 7) 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.



Philanthropy and Social Initiatives

250% Tax Deduction for Qualifying Donations to Institutes of a Public Character (“IPCs”)

Current

- Donors currently enjoy a 250% tax deduction for qualifying donations made to IPCs and other eligible institutions in Singapore.
- This enhanced deduction is scheduled to lapse for donations made after 31 December 2026.

Extension of 250% Tax Deduction

- The enhanced deduction will be extended to qualifying donations made from 1 January 2027 to 31 December 2029.

Corporate Volunteer Scheme (“CVS”) Extension

Current

All businesses carrying on a trade or business in Singapore can claim 250% tax deductions on qualifying expenditure (such as basic wages) incurred for:

Sending their qualifying employees to volunteer at or to provide services to IPCs;

Seconding their qualifying employees to IPCs.

From 1 January 2024, the qualifying expenditure is subject to an annual cap of S\$250,000 per business per YA and S\$100,000 per IPC per calendar year.

The tax deduction is scheduled to lapse for expenditure incurred after 31 December 2026.

Extension of scheme

The tax deduction under the CVS will be extended to qualifying expenditure incurred from 1 January 2027 to 31 December 2029.

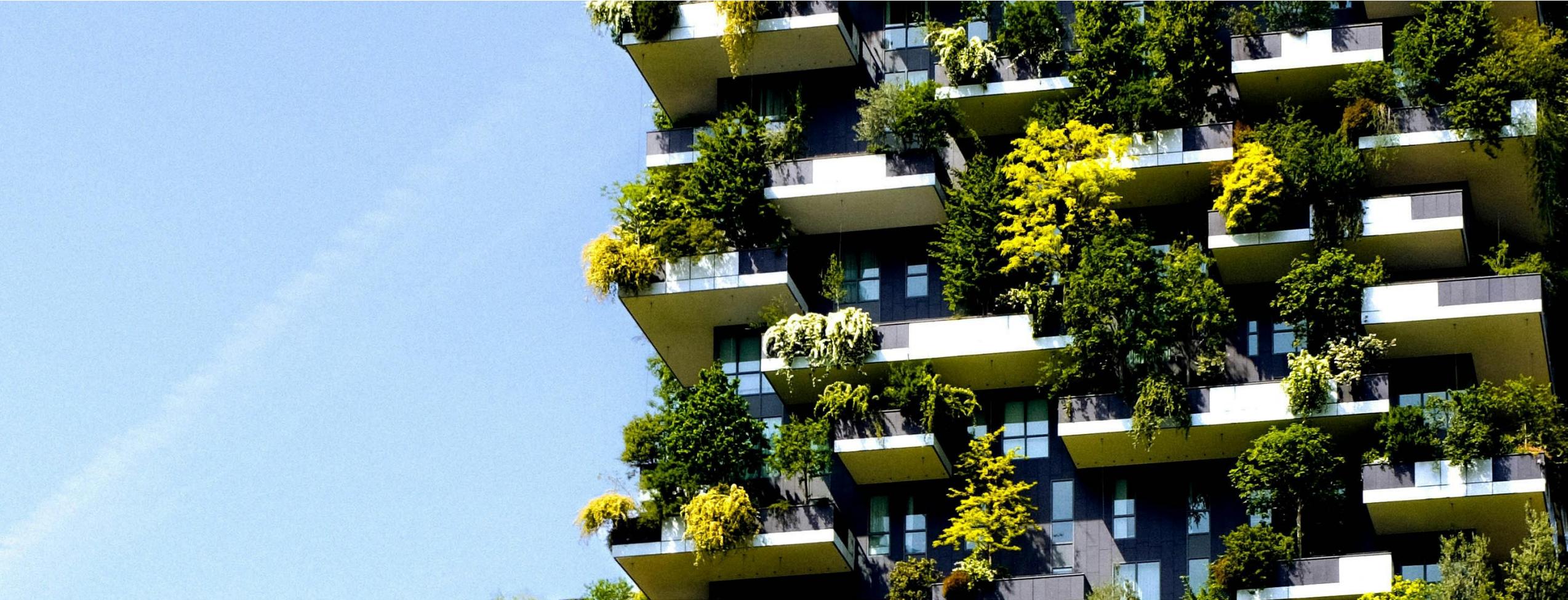
Discussion on Recent Tax Updates and Developments



Lim Peng Huat

Senior Director
Taxation Services
Complete Corporate Services (CCS)





Related Party Domestic Loans

Related Party Domestic Loans

The arm's length principle is to be applied to the interest rates for related party loans.

Where both parties are not in the business of borrowing and lending –

- **Domestic loans entered into prior to 1 January 2025.**

As a proxy to the application of the arm's length principle, the IRAS would restrict any interest expense claimed by the lender.

- **Domestic loans entered into on or after 1 January 2025.**

The lender may apply the IRAS indicative margin or the interest rate based on arm's length principle.

On **19 November 2025**, IRAS clarified that it will not make Section 34D transfer pricing adjustment in relation to such related party domestic loan. Potentially, the 5% transfer pricing surcharge will also not be imposed.



Interest-free / Subsidised Loans Provided by Companies



Interest-free / Subsidised Loans Provided to Employees

Tax treatment of benefits arising from interest-free / subsidised interest loans granted to employees are tax exempt by virtue of administrative concession.



To qualify for the concession, the benefits should be available to all employees; and



The concession does not apply to employees who have substantial shareholdings, or control or influence over the company.

Interest-free / Subsidised Loans Provided to Company Directors

Company director is regarded as an employee of the company and the benefits derives from such loans are treated as taxable employment benefits.

Interest-free / Subsidised Loans Provided to Shareholders

Such loans granted to shareholders of the company are considered as made in their capacity as shareholders and the benefits derived would not constitute benefits from employment and hence not taxable in the hands of the shareholders.

Interest-free / Subsidised Loans Provided to Directors / Shareholders

Where the director is also the shareholder of the company and such loans are made in his capacity as a shareholder, the benefits would not constitute as benefits from employment.

IRAS considers the following:



whether the loans are extended to all shareholders and under similar loan terms, with documentary evidence to support.



whether there is a reasonable expectation of repayment.

GST InvoiceNow: Insights and Implications



Jerome Goh

Senior Manager
Taxation Services
Complete Corporate Services (CCS)





GST InvoiceNow: Insights and Implications

What is InvoiceNow?



Singapore's nationwide e-invoicing network



Managed by Infocom Media Development Authority ("IMDA")



Direct transmission of invoices in standard digital format between suppliers and customers, from one finance system to another



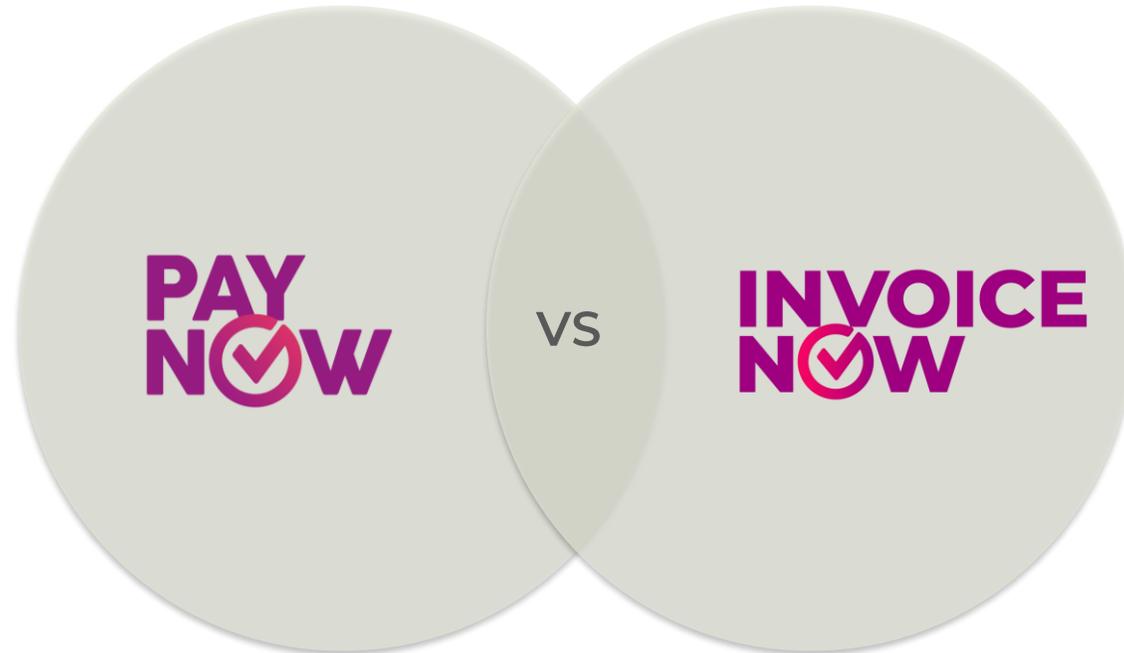
Aims to connect businesses and encourage digitalisation

Transfer of money from one party to another

Works even if both parties use different banks

Instant with reduced errors

Digitalise and simplify money transfers



Transfer of invoice data between supplier and customer

Works even if both parties use different accounting or finance systems

Structured with fewer manual errors

Digitalise and simplify invoice exchanges

GST INVOICENOW

GST InvoiceNow takes it one
step further

Digitalise GST reporting and
compliance

Invoice data will go to the IRAS

GST InvoiceNow Requirements

Currently, GST returns are filed online via IRAS myTax Portal without the need to submit any documentation to the IRAS

With implementation of GST InvoiceNow, businesses will be required to share invoice data pertaining to their GST supplies and purchases with the IRAS via the InvoiceNow network

IRAS will receive invoice data when businesses issue or receive invoices

Invoice Data to Transmit



Required to transmit to IRAS Invoice data that are reported in the GST return
(e.g. taxable supplies, taxable purchases)



Transactions with no underlying supplies or purchases are excluded and do not have to be transmitted
(e.g. deemed supplies for free goods, exempt financial services)



Out-of-scope supplies and purchases are also excluded
(e.g. *third-country sale of goods, purchases from non-GST registered suppliers, blocked input tax purchases*)

Due Date for Transmitting Invoice Data

Invoice data must be transmitted to the IRAS by the earlier of:



The date on which the relevant GST return is filed; or



The filing due date of the relevant GST return

Benefits to Businesses

Fewer businesses would potentially be selected for GST audits

Shorter audits and faster resolution of GST issues

Faster GST refunds

GST Compliance & Strong Internal Controls are what separate Benefits from Exposure

Implementation Timeline – GST Registration

Compulsory GST Registration

- Taxable turnover more than S\$1 million in the past calendar year; or is expected to be more than S\$1 million in the next 12 months

Voluntary GST registration

- Businesses not liable for compulsory GST registration may choose to register for GST on a voluntary basis
- Mainly to claim GST incurred on purchases

Implementation Timeline - Phased Adoption

Implementation Date	Who it applies to
1 November 2025	Companies that register for GST <u>voluntarily</u> within 6 months of incorporation date
1 April 2026	All companies that register for GST <u>voluntarily</u> , regardless of incorporation date



Implementation Timeline - Phased Adoption

Implementation Date	Who it applies to
1 April 2028	All companies that register for GST Existing GST-registered business with total annual supplies \leq S\$200,000
1 April 2029	Existing GST-registered businesses with total annual supplies \leq S\$1,000,000
1 April 2030	Existing GST-registered businesses with total annual supplies \leq S\$4,000,000
1 April 2031	Existing GST-registered businesses with total annual supplies more than S\$4,000,000



Implementation Timeline - Phased Adoption

Implementation Date	Who it applies to
1 April 2028	All companies that register for GST Existing GST-registered business with total annual supplies ≤ S\$200,000
1 April 2029	Existing GST-registered businesses with total annual supplies ≤ S\$1,000,000
1 April 2030	Existing GST-registered businesses with total annual supplies ≤ S\$4,000,000
1 April 2031	Existing GST-registered businesses with total annual supplies more than S\$4,000,000



Implementation Timeline - Phased Adoption

Total annual supplies refer to the total value of:



Standard-rated supplies



Zero-rated supplies



Exempt supplies

Made in ALL the prescribed accounting periods ending in calendar year 2025.

Implementation Timeline - Phased Adoption

Illustration

Company ABC is GST-registered since 1 April 2022 and files its GST returns quarterly.
The supplies made by Company ABC in calendar year 2025 are as follows:

Prescribed Accounting Period	Total Supplies (S\$)
Q1 – January to March 2025	600,000
Q2 – April to June 2025	650,000
Q3 – July to September 2025	700,000
Q4 – October to December 2025	750,000
Total for Year 2025	2,700,000

Implementation Timeline - Phased Adoption

Implementation Date	Who it applies to
1 April 2028	All companies that register for GST Existing GST-registered business with total annual supplies ≤ S\$200,000
1 April 2029	Existing GST-registered businesses with total annual supplies ≤ S\$1,000,000
1 April 2030	Existing GST-registered businesses with total annual supplies ≤ S\$4,000,000

Total Annual Supplies in Year 2025 = S\$ 2,700,000
Company ABC needs to implement GST InvoiceNow by 1 April 2030

Support Available for Businesses

For SMEs

- New grant of up to S\$1,000 to defray operational adoption costs
- Could be eligible for Productivity Solutions Grant (“PSG”)

For Larger Businesses

- New grant of up to S\$5,000 will be provided for early adopters
- Progressive implementation provides more time for software refresh

More details on the support will be released by IMDA and IRAS in due course



Getting Ready for GST InvoiceNow

What Business Need To Do	How We Can Support
Assess System Readiness	<p>Conduct a structured readiness assessment to ensure your accounting system is GST InvoiceNow-enabled</p> <p>Advise on practical implementation roadmap and liaise with solution providers if required</p>
Review GST Invoice & Data Configuration	<p>Perform GST configuration review of tax codes and identify potential misclassification risks</p> <p>Conduct pre-go-live GST health check and review historical GST positions to minimise exposure</p>



Getting Ready for GST InvoiceNow

What Business Need To Do	How We Can Support
Strengthen internal controls	<ul style="list-style-type: none">Review and strengthen internal GST controlsAdvise on best practicesProvide targeted training
Planning & ongoing monitoring	<ul style="list-style-type: none">Coordinate implementation timelineProvide post-implementation GST reviewMonitor ongoing complianceSupport in IRAS queries

Key Takeaways

GST InvoiceNow will progressively become mandatory for all GST-registered businesses

Early preparation reduces operational disruption

Robust GST compliance and internal controls are critical

Economic & Market Outlook for 2026: Risks & Opportunities



Song Seng Wun

Independent Economist





Panel Discussion

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