Complete Corporate Services Pte Ltd

SINGAPORE SUPPLEMENTARY BUDGET 2020

UNITY. RESILIENCE. **SOLIDARITY**

Deputy Prime Minister ("DPM") and Minister for Finance, Mr Heng Swee Keat, announced the Solidarity Budget earlier today whereby additional support for businesses and households were unveiled less than two weeks after the Resilience Budget. This brings the total budget set aside to buffer the impact of COVID-19 to S$59.9 billion (S$6.4 billion from Unity Budget, S$48.4 billion from Resilience Budget and S$5.1 billion from Solidarity Budget), which is necessary to help businesses stay afloat and keep their employees during the 'circuit breaker' period so that businesses can resume normal operations once the measures are relaxed. The constantly fast evolving COVID-19 situation since the announcement of the Resilience Budget requires the Singapore Government to act decisively and swiftly so the Solidarity Budget should not come as a surprise to most businesses and individuals. In case you missed the announcement earlier today, please refer to the snapshot below for the additional support that are rolled out.

BUSINESSES & WORKERS



CASH & COST

1. Jobs Support Scheme ("JSS")

- JSS payout of 75% on first S$4,600 of gross monthly wages for every local employee for April 2020.
- First JSS payout will be in April 2020 instead of May 2020.
- Wage support levels will revert to original levels announced in Resilience Budget from May 2020.

2. Foreign Worker Levy ("FWL")

- Monthly FWL due in April 2020 will be waived.
- FWL rebate of S$750 (based on previous levies paid in 2020) for each Work Permit or S Pass holder will be given as early as 21 April 2020.

3. Property Tax Rebates ("PTR")

No change to the PTR announced in the Resilience Budget, but proposed new legislation to:-

- Impose obligation on property owners to pass to their tenants the full amount of PTR received attributable to tenanted property.
- Ensure that rebate is passed to tenants in a timely manner according to prescribed timeline.
- Prohibit property owners from imposing conditions when passing on the PTR.
- Allow a Valuation Review Panel to adjudicate disputes between property owner and tenant in relation to PTR to be passed on.

Further details on the conditions for PTR pass-on to tenants will be announced by the IRAS.

HOUSEHOLDS



HELP FOR SELF-EMPLOYED PERSONS

- The Self-Employed Person ("SEP") Income Relief Scheme, or SIRS, has been put in place to provide direct cash assistance. Two enhancements will be made:-
  - » Automatic inclusion of SEPs who also earn a small income from employment work; and
  - » Current Annual Value threshold of the property to be raised from S$13,000 to S$21,000 to support more SEPs.
- The other criteria remain unchanged.
- Eligible SEPs will receive three quarterly cash payouts of S$3,000 each in May, July, and October 2020.

ONE-OFF SOLIDARITY PAYMENT

- S$600 for every Singaporean aged 21 and above in 2020.
- Cash payout will be brought forward and credited directly into their bank accounts by 14 April 2020 or issued by cheques starting from 30 April 2020.

OTHER CASH PAYOUTS

- The following cash payouts under the Care and Support announced earlier will be brought forward to June 2020 from August 2020:-
  - » Remaining S$300 or S$600 from the higher tiers;
  - » Additional S$300 payout for each parent with at least one child aged 20 and below; and
  - » S$100 PAssion Card top-up, which will be given in cash, for Singaporeans aged 50 and above.

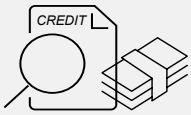
BUSINESSES & WORKERS (Cont.)



4. Rental Waivers

Increased rental waivers for industrial, office and agricultural tenants of Government agencies to 1 month, up from half a month under the Resilience Budget.

CREDIT



Financing

- Enterprise Financing Scheme ("EFS") SME Working Capital Loan ("EFS-WCL") and Trade Loan ("EFS-TL") and the Temporary Bridging Loan Programme ("TBLP") were further enhanced in the Solidarity Budget.
- The EFS-WCL, EFS-TL and TBLP were introduced for the following purposes:-
  - » EFS-WCL – to finance daily operational cash-flow needs;
  - » EFS-TL – to finance trade needs such as inventory / stock financing, revolving working capital, factoring (with recourse), bill of invoice, accounts receivable discounting and overseas working capital loan; and
  - » TBLP – announced in the Unity Budget as a new temporary loan programme to provide more cash-flow for enterprises in the tourism sector.
- Under the Solidarity Budget, Enterprise Singapore will co-share the risk on the loans with Participating Financial Institutions of 90% (enhanced on 6 April 2020) for new applications initiated from 8 April 2020 to 31 March 2021, amongst the following introduced in the Unity Budget and the Resilience Budget announced on 18 February 2020 and 26 March 2020 respectively:-
  - » EFS-WCL – loan quantum increased to S$1 million from S$300,000 and 1-year principal repayment deferment;
  - » EFS-TL – loan quantum increased to S$10 million from S$5 million; and
  - » TBLP – loan quantum increased to S$5 million, 1-year principal repayment deferment, interest rate capped at 5% and expanded to all sectors.

OTHER UPDATES



EXTENSION OF TAX FILING DEADLINES



Tax filing deadlines for businesses and individuals are automatically extended as follows:

- Income tax for individuals, including sole proprietors and partnerships – extended to 31 May 2020.
- Income tax for Trusts, Clubs and Associations – extended to 31 May 2020.
- Estimated Chargeable Income filing for companies with Financial Year ended January 2020 – extended to 31 May 2020.
- GST returns for accounting period of January to March 2020 – extended to 11 May 2020.
- S45 withholding tax forms – extended to 15 May 2020 for those due on 15 April 2020.
- Tax clearances for foreign employees – extended for 1 month for those due originally in April 2020.

CONCLUSION

As mentioned by DPM Heng, this is an unprecedented budget for extraordinary times and the Singapore Government is ready to provide further support should it become necessary. It is important for Singaporeans to stay close and united even as all of us physically distance ourselves to save lives. The enhancements announced to help businesses, workers and households deal with issues from the cash, costs and credit perspectives during this long winter will be essential to ensure we will all emerge stronger after the crisis.

FURTHER ADVICE

If you need help to understand how the various measures introduced in the Unity, Resilience and Solidarity Budgets can help you, please reach out to us for further discussions.

COMPLETE CORPORATE SERVICES

KEY CONTACTS



Lim Peng Huat
Senior Director
Taxation Services
E: phlim@complete-corp.com
T: +65 6329 2741



Bernard Juay
Senior Director
Tax & Business Advisory
E: bernardjuay@complete-corp.com
T: +65 6329 2760



Law Pei Serh
Director
Taxation Services
E: lawpeiserh@complete-corp.com
T: +65 6329 2726



Seetoh Mei Fong
Associate Director
Taxation Services
E: seetohmeifong@complete-corp.com
T: +65 6329 2718

Complete Corporate Services Pte Ltd

10 Anson Road #29-07, International Plaza, Singapore 079903
T +65 6226 2555 F +65 6221 9265
www.complete-corp.com.sg

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