

Singapore releases Budget 2019

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Executive summary

On 18 February 2019, Singapore released its Budget for financial year 1 April 2019 to 31 March 2020 (the Budget 2019).

The Budget 2019 aims to turn Singapore into a Global-Asia hub of technology, innovation and enterprise. Various programs and plans were announced to support the three key thrusts of building deep enterprise capabilities, worker capabilities and forging deeper partnerships.

This Alert summarizes key tax initiatives in the Budget 2019.

Detailed discussion

Extension of Writing Down Allowance (WDA) for acquisition of qualifying Intellectual Property Rights (IPRs)

In recognition that IPRs are important creators of value in a knowledge-based economy, the WDA for acquisition of qualifying IPRs will be extended by five years to cover capital expenditure incurred in respect of qualifying IPRs acquired on or before the last day of the basis period for the Year of Assessment¹ (YA) 2025.

Extension of the 100% Investment Allowance (IA) under the Automation Support Package

To maintain support to companies in their automation, productivity and scale-up efforts, the 100% IA measure under the Automation Support Package will be extended by two years, for projects approved by Enterprise Singapore from 1 April 2019 to 31 March 2021. The approved capital expenditure will remain capped at S\$10m (US\$7.4m) per project.

Various other tax incentives have also been extended and/or refined, particularly in the funds and asset management space.

The *Singapore Budget 2019 Synopsis* which can be found [here](#) provides an in-depth analysis of the Budget 2019 measures.

Endnote

1. The term “year of assessment” (YA) refers to the year in which income tax is assessed on the company. The basis period for a particular YA for a company is the financial year ending in the year preceding that YA.

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