



BSL TAX SERVICES PTE LTD



2026 SINGAPORE BUDGET HIGHLIGHTS

SECURING OUR FUTURE TOGETHER IN A CHANGED WORLD

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CORPORATE TAX

1. No change to corporate tax rate which remains at 17%. For YA 2026, companies are eligible for a Corporate Income Tax (“CIT”) rebate of 40% of tax payable subject to an overall cap of \$30,000, inclusive of the \$1,500 cash rebate.
2. Enhance the Double Tax Deduction for Internationalisation scheme by increasing the cap on qualifying expenses from \$150,000 to \$400,000 from YA 2027.
3. Enhance the Enterprise Innovation Scheme by extending the scope of the 400% tax deduction available to businesses on qualifying activities to include an additional partner Sectoral AI Centre of Excellence for Manufacturing, and by introducing a new qualifying activity for artificial intelligence (“AI”) expenses of up to \$50,000 for YA 2027 and YA 2028.
4. Extend the withholding tax exemptions for the financial sector till 31 December 2031.
5. Extend and enhance the Finance and Treasury Centre incentive till 31 December 2031, and introduce a withholding tax exemption on interest-like borrowing costs that are subject to withholding tax for payments made on or after 13 February 2026.
6. Extend and enhance the Global Trader Programme until 31 December 2031, and include Environmental Attribute Certificates as qualifying commodities with effect from 13 February 2026.
7. Allow the Investment Allowance for Emissions Reduction Scheme to lapse after 31 December 2026.
8. Allow the double tax deduction for qualifying upfront costs attributable to rated retail bonds to lapse after 31 December 2026.
9. Extend the 250% tax deduction for qualifying local donations to Institutions of a Public Character (“IPCs”) till 31 December 2029.
10. Extend the 250% tax deduction under the Corporate Volunteer Scheme until 31 December 2029, subject to a cap of \$250,000 per business and \$100,000 per IPC.

GOODS AND SERVICES TAX

1. No change to GST which is at the current rate of 9% from 1 January 2024.

PERSONAL TAX

1. Increase the CPF contribution rates with effect from 1 January 2027; for employees aged above 55 to 60, from 34% to 35.5%, and employees aged above 60 to 65, from 25% to 26%.

OTHERS

1. Increase the minimum qualifying salary for Employment Pass holders from 1 January 2027; financial services sector from \$6,200 to \$6,600, and other sectors from \$5,600 to \$6,000.
2. Increase the minimum qualifying salary for S Pass holders from 1 January 2027; financial services sector from \$3,800 to \$4,000, and other sectors from \$3,300 to \$3,600.

Writer's Caveat

These articles have merely attempted to provide a broad overview on the subject matters. They are not in any way intended to be comprehensive and no specific action should be taken on the basis of the above without consulting your professional advisors.