

TAX

MOF Consults on 22 Legislative Amendments Regarding Budget 2026, Tax Administration, and GloBE Rules

Introduction

On 8 June 2026, the Ministry of Finance ("**MOF**") announced a [public consultation](#) on the proposed Finance (Income Taxes) Bill 2026 ("**Bill**"). The Bill covers 22 proposed amendments to the Income Tax Act 1947 ("**ITA**") and the Multinational Enterprise (Minimum Tax) Act 2024 ("**MMTA**") as follows:

1. Ten amendments to the ITA to implement the tax measures announced at Budget 2026, which aim to (i) support businesses and workers; (ii) strengthen Singapore as a business and philanthropy hub; and (iii) encourage giving and volunteerism.
2. Ten amendments to the ITA regarding changes arising from MOF's periodic review of Singapore's income tax system, which aim to support taxpayers and improve tax administration.
3. Two amendments to the MMTA relating to the Pillar Two Global Anti-Base Erosion ("**GloBE**") Model Rules to implement the Side-by-Side Safe Harbour and the GloBE information return exchange framework.

Below, we discuss the details of the proposed amendments to the ITA and MMTA.

The consultation closes on 1 July 2026.

Amendments to Implement Budget 2026 Measures

Supporting Businesses and Workers

Tax Change	Details	Relevant Dates
Enhancement to Enterprise Innovation Scheme ("EIS")	<ul style="list-style-type: none"> • The EIS allows for 400% tax deductions on qualifying expenditure carried out with partner institutions. • A new qualifying activity for artificial intelligence ("AI") expenditure will allow 400% deductions on up to S\$50,000 per YA, without a cash payout option. 	Enhanced for years of assessment (" YA ") 2027 and YA 2028.

Tax Change	Details	Relevant Dates
	<ul style="list-style-type: none"> The list of partner institutions will be expanded to include the Sectoral AI Centre of Excellence for Manufacturing. However, no legislative amendments will be made to implement this as the Sectoral AI Centre of Excellence for Manufacturing already meets the definition of an “approved educational or research institution”. 	
50% Corporate Income Tax Rebate in YA 2026	<ul style="list-style-type: none"> A 50% rebate of tax payable will be provided in YA 2026. Eligible active companies with at least one local employee in calendar year 2025 will receive at least S\$2,000. The total maximum benefit a company can receive is S\$40,000. 	Rebate provided in YA 2026
Enhancement to Double Tax Deduction for Internationalisation scheme	<ul style="list-style-type: none"> The cap for claims without prior approval will increase from S\$150,000 to S\$400,000 per YA. The expanded scope will cover overseas market development and investment study trips, as well as specified feasibility, licensing, market survey, business development and brochure costs. 	Applies from YA 2027
Tax deduction for Central Provident Fund (“CPF”) cash top-ups made by platform operators on behalf of platform workers	Platform operators may claim deductions for CPF cash top-ups made for eligible platform workers under the Voluntary Contributions to MediSave Account scheme, aligning with the tax treatment for top-ups made by employers.	Applies from YA 2027 to top-ups made on or after 1 January 2026

Strengthening Singapore as a Business and Philanthropy Hub

Tax Change	Details	Relevant Dates
Extension and enhancement of Global Trader Programme	The Global Trader Programme will be extended.	Extended until 31 December 2031
	Qualifying commodities will also include Environmental Attribute Certificates.	Applies from 13 February 2026
Extension and enhancement of Finance and Treasury Centre incentive	The Finance and Treasury Centre incentive will be extended.	Extended until 31 December 2031
	The withholding tax exemption will also expand to cover interest-like borrowing costs for loans used for qualifying activities or services.	Applies to payments made on or after 13 February 2026
Extension of withholding tax exemptions for the financial sector	<p>This applies to:</p> <ul style="list-style-type: none"> the exemption for payments on structured products made to non-individual non-resident persons. the waiver of withholding obligations on certain section 12(6) payments, such as interest and loan-related payments. 	Extended until 31 December 2031
Extension of Not-for-Profit Organisation Tax Incentive	The Not-for-Profit Organisation Tax Incentive will be extended.	Extended until 31 December 2032

Encouraging Giving and Volunteerism

Tax Change	Details	Relevant Dates
Extension of 250% tax deduction for qualifying donations	Extended to qualifying donations made from 1 January 2027 to 31 December 2029.	1 January 2027 to 31 December 2029
Extension of Corporate Volunteer Scheme	<p>The 250% deduction will be extended to qualifying expenditure incurred from 1 January 2027 to 31 December 2029.</p> <ul style="list-style-type: none"> Businesses may claim deductions on qualifying expenditure, such as wages, for sending or seconding qualifying employees to Institutions of a Public Character ("IPC"). Qualifying expenditure is capped annually at S\$250,000 per business per YA and S\$100,000 per IPC per calendar year. 	1 January 2027 to 31 December 2029

For more details on Budget 2026, please see our February 2026 Legal Update titled "[Singapore Budget 2026: Securing Our Future Together in a Changed World](#)".

Amendments Arising from Periodic Review

The proposed amendments arising from MOF's periodic review aim to support taxpayers and improve tax administration.

Supporting Taxpayers

Tax Change	Details	Relevant Dates
Expansion of Maritime Sector Incentive – Approved International Shipping Enterprise award	Expanded to cover Singapore-flagged ships. Shipping groups with this incentive will therefore only need to tap on one incentive for all their ships.	From YA 2027
20% Fixed Expense Deduction Ratio ("FEDR") for self-employed persons and individual sole proprietors	<ul style="list-style-type: none"> A 20% FEDR will apply to eligible self-employed persons and sole proprietors with revenue of up to S\$50,000 for income not already covered by existing industry-specific FEDRs. Eligible taxpayers may elect to claim this ratio instead of actual expenses. 	From YA 2027
Tax exemption for employer-subsidised childcare benefits	Extended to include MOE Kindergartens.	From YA 2027
Tax exemption for payments under the ComLink+ Package for Employment	Exemption applies to payments made on or after 1 May 2025.	From 1 May 2025

Administrative Measures

Tax Change	Details	Relevant Dates
Mandatory use of IRAS' e-service for objections and revisions to tax assessments	Companies will be required to use IRAS' e-service to file objections and revisions to submitted corporate income tax returns.	From 1 July 2027
Requirements for bodies of persons	To ensure consistency in tax treatment across different types of business entities, the following requirements that currently apply to companies will be extended to bodies of persons: <ul style="list-style-type: none"> Requirement to apportion deductions for certain qualifying donations among different tax rates. Requirement to adjust unabsorbed allowances, losses or donations relating to income taxed at a lower rate before deducting it against income taxed at a higher rate. 	From YA 2027
Power to revoke certain tax incentives for sovereign fund entities, foreign government-owned entities and international organisations	The Minister or an authorised body will be empowered to revoke these tax incentives if conditions are not met, in line with the revocation powers applicable to other tax incentives.	From gazette date
Appeal timeline for Board of Review decisions	A standardised appeal timeline of 28 days will apply for appeals to the General Division of the High Court.	From gazette date
Notice period for Board of Review hearings	The notice period for hearings before the relevant Boards of Review will be extended from 14 days to 35 days.	From gazette date

Amendments Relating to GloBE Rules

Tax Change	Details	Relevant Dates
Implement the Side-by-Side Safe Harbour	<ul style="list-style-type: none"> The Side-by-Side Safe Harbour effectively exempts the income of multinational enterprise ("MNE") groups, which are headquartered in a jurisdiction with a qualified side-by-side regime, from the application of the Income Inclusion Rule and the Undertaxed Profits Rule in other jurisdictions. Legislative amendments to implement the Side-by-Side Safe Harbour will apply to MNE groups for financial years beginning on or after 1 January 2026. 	Will apply to financial years beginning on or after 1 January 2026
Implement the GloBE information return exchange framework	The legislative amendments will: <ol style="list-style-type: none"> allow Singapore to exchange relevant GloBE information with other tax administrations; require MNE groups to file GloBE information returns with the Inland Revenue Authority of 	From gazette date

Tax Change	Details	Relevant Dates
	Singapore (" IRAS ") if IRAS does not receive such information from the relevant tax administration within the stipulated deadlines; and 3. apply existing penalties for non-compliance and inaccurate filings to such filings in (2).	

Click on the following links for more information (available on the MOF website at <https://www.mof.gov.sg/home>):

- MOF page titled "[Public Consultation on Proposed Finance \(Income Taxes\) Bill 2026](#)"
- [Full text of the Bill](#)

If you have any queries on the above, please reach out to our team set out on this page.

For regional Tax matters, please see Rajah & Tann Asia's [Tax Practice Group](#) for more information.

Contacts

TAX

Vikna Rajah

HEAD

D +65 6232 0597

vikna.rajah@rajahtann.com

Please feel free to also contact Knowledge Management at RTApublications@rajahtann.com.

Regional Contacts

Cambodia

Rajah & Tann Sok & Heng Law Office

T +855 23 963 112 | +855 23 963 113
kh.rajahtannasia.com

China

Rajah & Tann Singapore LLP Representative Offices

Shanghai Representative Office

T +86 21 6120 8818
F +86 21 6120 8820

Shenzhen Representative Office

T +86 755 8898 0230
cn.rajahtannasia.com

Indonesia

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

Lao PDR

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239
la.rajahtannasia.com

Malaysia

Christopher & Lee Ong

T +603 2273 1919
F +603 2273 8310
www.christopherleeong.com

Myanmar

Rajah & Tann Myanmar Company Limited

T +951 9253750
mm.rajahtannasia.com

Philippines

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8248 5250
www.cagatlaw.com

Singapore

Rajah & Tann Singapore LLP

T +65 6535 3600
sg.rajahtannasia.com

Thailand

Rajah & Tann (Thailand) Limited

T +66 2656 1991
th.rajahtannasia.com

Vietnam

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2673 | +84 28 3521 2832

Hanoi Office

T +84 24 3267 6127 | +84 24 3267 6128
vn.rajahtannasia.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This Update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this Update.

Our Regional Presence



Rajah & Tann Singapore LLP is one of the largest full-service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Rajah & Tann Singapore LLP and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may contact the lawyer you normally deal with in Rajah & Tann Singapore LLP or email Knowledge Management at RTApublications@rajahtann.com.