

No. S 577**INCOME TAX ACT 1947****INCOME TAX
(REFUNDABLE INVESTMENT CREDITS)
REGULATIONS 2025****ARRANGEMENT OF REGULATIONS****Regulation**

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In exercise of the powers conferred by section 93B(51) of the Income Tax Act 1947, the Minister for Finance makes the following Regulations:

Citation and commencement

1. These Regulations are the Income Tax (Refundable Investment Credits) Regulations 2025 and come into operation on 1 September 2025.

Prescribed qualifying activities

2. Each of the following is a qualifying activity for the purposes of section 93B of the Act:

- (a) any investment by a company to increase its productive capacity in any industry, including the manufacturing of any product relating to any industry;
- (b) the provision by a company of digital services, professional services and services relating to supply chain management;
- (c) the establishment or operation by a company of its headquarters or a centre of excellence in Singapore;
- (d) the undertaking by a company of any of the following:
 - (i) physical trading of commodities;
 - (ii) trading in commodities derivative instruments;
 - (iii) acting as a broker for physical trading of commodities or trading in commodities derivatives;
 - (iv) establishing supply chain management and other functions that relate to the physical trading of commodities;
- (e) any research and development or any other activity to promote innovation by a company;
- (f) any activity by a company relating to energy efficiency and decarbonisation, including —
 - (i) improvement in energy efficiency;
 - (ii) solar power deployment;
 - (iii) reduction of emissions from greenhouse gases (other than carbon dioxide); and

- (iv) carbon capture, utilisation and storage.

Rates for computation of RICs for qualifying expenditure

3. The rate for computing the RICs for each of the following types of qualifying expenditure incurred by a company in carrying out one or more qualifying activities is 10%, 30% or 50% of the amount of the qualifying expenditure:

- (a) any capital expenditure incurred on the provision of a plant, property or equipment;
- (b) the following manpower costs:
 - (i) any wages, salaries and bonuses paid to the company's employees who are located in Singapore;
 - (ii) any sums contributed to the Central Provident Fund or other pension funds in respect of those employees;
 - (iii) any cost incurred to provide any other employment benefits for those employees;
- (c) any expenditure incurred to provide training for the company's employees, including —
 - (i) any course fees paid to an external training provider;
 - (ii) any salaries or allowances paid to an external training provider, and the reimbursement of any travelling or transportation expenses incurred by an external training provider, to conduct training for the employees; and
 - (iii) any allowances given to the employees for attending training and any travelling or transportation expenses incurred for the employees to attend training;
- (d) any cost incurred (including as part of the cost of any goods or services) for professional services, consultancy services and technical testing services;
- (e) any cost relating to intangible asset acquisition, cost-sharing agreement for research and development or innovation activity, licensing fees and royalty payments;

- (f) any cost of materials and consumables which, upon being used, are consumed or transformed in such a manner that they are no longer useable in their original form;
- (g) any freight forwarding and logistics cost for the transportation of goods, the management of such transportation and associated supply chain and logistics process flow;
- (h) any financing cost, including interest payments and other related charges.

Factors to determine rates for computation of RICs for each type of qualifying expenditure

4. In determining the rate for computing the amount of RICs for each type of qualifying expenditure mentioned in regulation 3, the approving authority must consider the following factors, as applicable:

- (a) the scale and nature of the company's investment in Singapore;
- (b) the impact of the qualifying activity on the development of any of the company's trades and businesses or of any industry in Singapore;
- (c) in relation to any qualifying activity mentioned in regulation 2(f), the impact of the qualifying activity on —
 - (i) the resource efficiency of any of the company's trades and businesses or the industry to which any of those trades and businesses belong; or
 - (ii) the environmental sustainability of any of the company's trades and businesses.

Election for payment of RICs to be paid in specified manner

5.—(1) An awardee company may, at the time of making an application under section 93B(15) of the Act for an amount of RICs to be given to it, make a written election for that amount of RICs to be paid to the awardee company in the following manner:

- (a) 20% of the amount of RICs on or before a date specified by the approving authority that falls within the period of 2 years starting from the date of the application;
- (b) 30% of the amount of RICs on or before a date specified by the approving authority that falls within the period of 3 years starting from the date of the application;
- (c) 50% of the amount of RICs on or before a date specified by the approving authority that falls within the period of 4 years starting from the date of the application.

(2) An election under this regulation is irrevocable and applies to all RICs applied for under the application.

(3) If, due to the debiting of an amount of RICs under section 93B(40)(a) of the Act, the amount of RICs for which an election was made under this regulation is reduced (but not to zero), then the reduction is to be made on the basis that an amount of RICs to be paid to the awardee company on a later date is reduced before an amount of RICs to be paid to the awardee company on an earlier date.

Prescribed circumstances for amendment of letter of confirmation under section 93B(20A) of Act

5A. The following are prescribed circumstances in which the approving authority may amend any matter stated in a letter of confirmation given to an awardee company:

- (a) there is any error or mistake contained in the application by the awardee company under section 93B(15) of the Act or any information or document accompanying the application mentioned in section 93B(16) of the Act;
- (b) the approving authority makes any error or mistake in relation to any matter specified in section 93B(17), (18), (19) or (20) of the Act;
- (c) the authority, after giving the letter of confirmation to the awardee company, discovers any further information that results in the letter of confirmation being erroneous or inaccurate;

- (d) an amendment or the revocation under section 93B(35) of the Act of a letter of award issued to the awardee company.

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Prescribed day for section 93B(29) and (30)(a) of Act

6. For the purposes of section 93B(29) and (30)(a) of the Act, the prescribed day is the first day of the period of 3 months before the payout date.

Prescribed day for section 93B(30)(b) of Act

7. For the purpose of section 93B(30)(b) of the Act, the prescribed day is the first day of the period of 3 months before the payment date.

Reversal of tax treatment

8.—(1) This regulation applies if an amount equivalent to any RICs that were given to a company is recoverable from the company (called in this regulation the recoverable RICs) as a result of section 93B(38) and (39) of the Act.

(2) The qualifying expenditure incurred by the company for which the recoverable RICs were given to the company is not treated as expenditure subsidised by a grant from the Government.

(3) Subject to the provisions in Parts 5, 6 and 9 of the Act —

- (a) the qualifying expenditure mentioned in paragraph (2) is allowable as a deduction under Part 5 of the Act for the purpose of ascertaining the company's income for the basis period of any year of assessment during which the qualifying expenditure is incurred;
- (b) allowances may be made to the company in respect of that qualifying expenditure under section 16, 17, 18C, 19A, 19B, 19D or 20 of the Act (whichever is applicable) for the year of assessment relating to the basis period in which the qualifying expenditure was incurred, or any other year of assessment as may be provided under that provision; and
- (c) the provisions in Part 9 of the Act apply in relation to that qualifying expenditure for the purpose of determining the

assessable income of the company for the year of assessment relating to the basis period in which the qualifying expenditure was incurred, or any other year of assessment as may be provided under those provisions.

(4) Where the application of paragraphs (2) and (3) would affect the tax computation of the company for one or more years of assessment, the company must, within 2 months after the service of the written notice under section 93B(36) of the Act or such extended time as the Comptroller may allow, submit a revised tax computation together with supporting documents for each year of assessment that was affected by those paragraphs.

(5) Where any amount of RICs given to the company were previously brought to tax in one or more years of assessment and those RICs ought not to have been given because of an amendment or revocation of the company's letter of award under section 93B(35) of the Act, the company must, within 2 months after the service of the written notice under section 93B(36) of the Act or such extended time as the Comptroller may allow, submit a revised tax computation together with supporting documents for each year of assessment in which the RICs were previously brought to tax.

(6) The Comptroller must, in accordance with the provisions of the Act, give, by way of a revision of assessment made on the company for each year of assessment for which a revised tax computation was submitted under paragraph (4) or (5), relief in respect of the amount of tax paid or payable by the company.

Prescribed period for section 93B(43)(c) of Act

9. For the purpose of section 93B(43)(c) of the Act, the prescribed period is one month.

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Offset of due taxes of related company: application

10.—(1) An awardee company (called in this regulation and regulations 11 to 14 *X*) may at any time apply to the approving authority for an amount of RICs in its RIC account, and for which *X* has not made an election under regulation 5 (called in this regulation and regulations 11 to 14 *X*'s RICs), to be used to offset any due taxes

of one or more companies (each called in this regulation and regulations 11 to 14 *Y*) that are of the same group as *X* and nominated by *X*.

(2) For an amount of *X*'s RICs to be used to offset any due tax of any *Y* that is nominated by *X*, *Y* must be part of the same group as *X* on the date of the application.

(3) The maximum number of *Y*s that may be nominated by *X* for the purposes of this regulation is 20.

(4) Every application must contain and be accompanied by —

- (a) the identity of every *Y* nominated by *X*;
- (b) a declaration by *X* that each *Y* is of the same group as *X* at the time that the application is made; and
- (c) any other information or document that the approving authority may require.

(5) The approving authority must, if satisfied that each *Y* is of the same group as *X* at the time of the application, approve the application.

(6) Upon the grant of an approval under paragraph (5), *X* may notify, in such form and manner as the Comptroller may specify, the Comptroller of the amount of *X*'s RICs that may be used to offset any due tax of one or more *Y*s (each called the RICs for the *Y* concerned), and the notice becomes effective on the date that the Comptroller informs *X* that it has become effective.

(7) Subject to paragraphs (2) and (3), *X* may, at any time after an approval is given in respect of *X*'s application under paragraph (1), apply to the approving authority to nominate one or more *Y*s whose due taxes may be offset using *X*'s RICs.

(8) Paragraphs (4), (5) and (6) apply to an application under paragraph (7) as those paragraphs apply to an application under paragraph (1).

(9) In this regulation and regulations 11 to 14 —

“due tax”, in relation to *X* or any *Y*, means —

- (a) an amount of tax levied on or due from *X* or *Y* under the Act; or
- (b) an amount of DTT or MTT levied on or due from *X* or *Y* under the MMT Act;

“group” has the meaning given by section 93B(47) of the Act.

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Offset of due taxes of related company: when no offset notice given, and notice to withdraw nomination or vary offset amount

11.—(1) If no notice under regulation 10(6) is given to the Comptroller in respect of any *Y* approved under regulation 10(5), the amount of *X*’s RICs that may be used to offset the due tax of that *Y* is treated as zero.

(2) The Comptroller may only use an amount of *X*’s RICs to offset the due tax of *Y* or any *Y* after —

- (a) *X* has given the notice to the Comptroller under regulation 10(6) in respect of that *Y*; and
- (b) the notice has become effective in accordance with regulation 10(6).

(3) *X* may, at any time, give a written notice to the approving authority to withdraw its nomination of *Y* or any *Y*.

(4) *X* must, at the time of giving the written notice under paragraph (3) in respect of *Y* or any *Y*, notify the Comptroller that no more of *X*’s RICs may be used to offset any due tax of that *Y*.

(5) To avoid doubt, no notice is required to be given to the Comptroller under paragraph (4) in respect of any *Y* whom *X* did not give a notice under regulation 10(6).

(6) *X* may, at any time, notify the Comptroller of an increase or a decrease in the RICs for *Y* or any *Y*.

(7) A notice under paragraph (4) or (6) becomes effective on the earlier of the following:

- (a) the expiry of 30 days after the date of receipt by the Comptroller of the notice;
- (b) the date that the Comptroller informs *X* that the notice has become effective.

(8) Subject to paragraph (9), the RICs for *Y* or any *Y* as revised pursuant to a notice under paragraph (6) applies to every offset of the due taxes of that *Y* pursuant to regulation 10(6), including an offset that has already been made.

(9) Despite paragraphs (7) and (8), a notice under paragraph (6) of a decrease in the RICs for *Y* or any *Y* is ineffective if the amount of *X*'s RICs that has already been used to offset any due tax of that *Y* is higher than the amount of RICs for that *Y* after the decrease.

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Offset of due taxes of related company: offsetting and its effect

12.—(1) After the notification in regulation 10(6) in relation to any *Y* has become effective, and unless a notification under regulation 11(4) or 13(1)(b) in relation to that *Y* has become effective, the Comptroller must —

- (a) offset an amount of the due tax of that *Y* using *X*'s RICs by the lowest of the following:
 - (i) *X*'s RICs less any amount of *X*'s RICs that has already been used to offset the due tax of *X* or any *Y*;
 - (ii) the RICs for that *Y* (or the amount of RICs for that *Y* as revised under regulation 11(6)) less any amount of *X*'s RICs that has already been used to offset the due tax of that *Y*;
 - (iii) the amount of the due tax of that *Y*; and
- (b) debit *X*'s RIC account by an amount equivalent to *X*'s RICs that is used to offset the due tax of that *Y* under sub-paragraph (a).

(2) For the purpose of paragraph (1)(a), RICs in *X*'s RIC account that are given on an earlier date are to be fully applied to offset the due tax of that *Y* before RICs in that account that are given on a later date.

(3) Where the Comptroller uses any amount of *X*'s RICs to offset the due tax of any *Y* —

- (a) the Comptroller must give notice of the offset to both *X* and that *Y*; and
- (b) if *Y* is of the same group as *X* as at the date of the application in regulation 10(1) or (7) (as the case may be) and the date on which the offset took place, the amount of *Y*'s due tax that has been so offset is treated as paid.

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Offset of due taxes of related company: cessation of nominee as related company

13.—(1) If *Y* or any *Y* approved by the approving authority under regulation 10(5) (or that provision as applied by regulation 10(8)) ceases to be part of the same group as *X*, *X* must —

- (a) inform the approving authority in writing within 7 days after the cessation or such further period as may be allowed by the approving authority in any particular case; and
- (b) notify the Comptroller within 7 days after the cessation or such further period as may be allowed by the Comptroller in any particular case that no more of *X*'s RICs may be used to offset any due tax of that *Y*.

(2) A notice given to the Comptroller under paragraph (1)(b) becomes effective on the earlier of the following:

- (a) the expiry of 30 days after the date of receipt by the Comptroller of the notice;
- (b) the date that the Comptroller informs *X* that the notice has become effective.

[S 147/2026 wef 01/04/2026]

Offset of due taxes of related company: what happens if nominee was never or ceased to be related company**14.—(1) If —**

- (a) any amount of *X*'s RICs has been used to offset any due tax of any company that is approved as a *Y* by the approving authority under regulation 10(5) (or that provision as applied by regulation 10(8)); and
- (b) that *Y* is subsequently discovered not to be of the same group as *X* as at the date of application under regulation 10(1) or (7) (as the case may be) or the date on which the offset took place,

that amount of *X*'s RICs is recoverable from that *Y* as a debt due to the Government.

(2) Section 93B(48B) of the Act applies to the amount recoverable from *Y* under paragraph (1) as the former provision applies to an amount recoverable from *X* under section 93B(48A) of the Act.

(3) In addition, in a case mentioned in paragraph (1) —

- (a) the Comptroller must credit *X*'s RIC account with an amount that was debited to offset the due tax of that *Y*; and
- (b) the amount credited under sub-paragraph (a) is treated as having been given to *X* on the date it was first given to *X* by the approving authority under section 93B(17) of the Act, except that this does not affect any debit of RICs from *X*'s RIC account carried out before the credit takes place.

(4) To avoid doubt, regulation 12(3)(b) does not apply in a case mentioned in paragraph (1).

[S 147/2026 wef 01/04/2026]

Prescribed period for section 93B(48D) of Act

15. For the purpose of section 93B(48D) of the Act, the prescribed date is 3 months after the RICs of an awardee company are credited back to its RIC account.

[S 147/2026 wef 01/04/2026]

Made on 26 August 2025.

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[AG/LEGIS/SL/134/2025/12]