

SCTP-EDB Roundtable on International Tax Developments

26 August 2021, 1 – 2.30pm

In addition to [various highlights raised](#) during the roundtable discussion, several perspectives on Singapore's tax incentive regime were also raised during the discussion.

Thinking Out Loud:

How can companies in Singapore seize new opportunities in a post BEPS 2.0 climate?

"If the global minimum tax is set at 15% and Singapore's tax incentive regime is reviewed, how will the government address the uncertainties faced by investors? Will commitments for existing tax incentives continue or will there be renegotiations, or perhaps will there be a swap in agreements from tax incentives to other incentives and grants? Clarity on this front would help ease investors' anxieties." [Mr James Choo](#), Partner, International Tax and Transaction Services, EY Singapore

On the same note, "Continual access to clear information on incentives and grants would be very much appreciated by investors as they consider their options in the post-BEPS 2.0 world." [Ms Jaclyn Ho](#), Local Principal (Tax Advisor), Baker McKenzie

Going into specifics, "In view of all that is happening, Singapore needs to ensure that it maintains its competitive advantage, especially in key sectors such as financial services, and to reduce some of the friction in the current system. While Singapore has a robust fund management incentive scheme, it may be streamlined by using an exclusion list to determine what are not qualifying investments, with those not excluded on policy grounds automatically qualifying for the incentive (instead of an inclusive list), further easing compliance. The tax rules for deduction of financing costs can be restrictive, and can be broadened to include all types of borrowing costs." [Mr Paul Lau](#), Tax Partner, PwC Singapore

Other than the fund management incentive scheme, [Mr Harvey Koenig](#), Tax Partner, KPMG Singapore commented, "Countries around the world will adapt their incentives in a post-BEPS 2.0 world to encourage innovation and attract R&D investments. Hence it is important to review Singapore's research and development (R&D) incentives to ensure we remain competitive. In addition to a comprehensive suite of incentives available to all businesses, it may also be good to supplement these incentives with customised measures to cater to specific investors' needs. It is important that the package of the incentives should be easy to communicate to potential investors."

All said, it is also interesting to note that, "While many MNCs are watching the development of BEPS 2.0 closely, there are also other MNCs that are not concerned about BEPS 2.0 and the potential impact. Singapore's current incentive regime remains relevant and attractive for these companies." [Mr Lee Tiong Heng](#), Business Tax Partner, Deloitte Singapore

What do you think?