



### ***Budgets and Relief Measures in the Region***

As the global and local markets continue to be impacted by the pandemic and geopolitical tensions remain unsettled, the economies in the Region approach their 2022 budgets with caution and measures to help economic recovery in the short to medium term. In this edition of the newsletter, we bring to you highlights of budgets and relief measures in China, Hong Kong, India and Singapore. In Malaysia, responding to community reactions, the government decided to restore tax exemption on specific types of foreign income received by resident companies and individuals. The article from the Philippines is on Retail Trade Liberalization Act, covering new measures to promote this business sector. Albeit not a smooth path and skewed by external factors, we shall see light at the end of tunnel soon.

### ***Warm welcome to our Bangkok network firm***

We are pleased to welcome **Proud in Pro Co. Ltd.** as our member firm in Bangkok. Established in 2018 by the managing partner, Sansanee Poolswat, a CPA with some 20 years' auditing experience, Proud in Pro is a three-partner firm located in Bangkok's central Bang Rak district. The firm is a specialist in audit practice and is authorised by the Securities and Exchange Commission in Thailand to audit publicly listed entities. Currently only 32 audit firms have such approval. Sansanee Poolswat said "We are delighted to join Russell Bedford International. This is a very exciting development and a big moment for our firm. We are filled with enthusiasm to begin exploring the new opportunities open to us as members of a large network of international accounting firms and the benefits that will bring to our firm and our clients."

### *Inside this issue:*

China	<a href="#"><u>2</u></a>
Hong Kong	<a href="#"><u>2</u></a>
India	<a href="#"><u>4</u></a>
Malaysia	<a href="#"><u>8</u></a>
Philippines	<a href="#"><u>8</u></a>
Singapore	<a href="#"><u>9</u></a>

## CHINA

### CHINA ROLLS OUT NEW TAX CUTS AND VAT CREDIT REFUND FOR SMALL BUSINESSES



Since the latest COVID-19 resurgence in late February, more than 30,000 cases of local infection have been reported nationwide, affecting 28 provinces, including Jilin, Guangdong, Shandong, and Shanghai. Businesses, especially small ones, are facing greater difficulties. To support small businesses' survival and growth, China will carry out tax cuts for low-profit small businesses for three years, the Ministry of Finance said on Friday, 18 March 2022.

From 1 January 2022 to 31 December 2024, the part of annual taxable income of low-profit small businesses that exceed 1 million yuan (158,000 U.S. dollars) but does not exceed 3 million yuan will be counted as 25 percent of the actual amount at a tax rate of 20 percent, according to a circular issued by the ministry and the State Taxation Administration.

Before the announcement, the authorities in March highlighted efforts to reduce six local taxes and two fees for small and micro businesses for three years.

Low-profit small businesses mentioned in this circular refer to legitimate enterprises with annual taxable incomes of less than 3 million yuan, no more than 300 employees, and total assets of less than 50 million yuan.

In addition, according to the latest news, China will implement value-added tax (VAT) credit refund on a large scale to provide strong underpinnings for keeping the operations of market entities stable and maintaining job security, the State Council's Executive Meeting chaired by Premier Li Keqiang decided on Monday, 21 March 2022. "Under the current circumstances, refunding excess input VAT credits to micro and small businesses and to manufacturing and other key industries is essential for ensuring stable growth at the moment. It is a direct boost to the cash flow of enterprises, and will benefit them more quickly than tax cuts," Li said.

The meeting decided to refund VAT credits to micro and small enterprises and self-employed households as general VAT payers across all sectors, which is worth around 1 trillion RMB yuan. Outstanding VAT credits will be refunded in one lump sum by the end of June. Refunds to micro enterprises will be completed in April, and those to small enterprises in May and June. Newly added credits will be fully refunded on a monthly basis starting from 1 April 2022.

*"To support small businesses' survival and growth, China will carry out tax cuts for low-profit small businesses for three years..."*

## HONG KONG

### HONG KONG - TAX MEASURES PROPOSED IN 2022-23 BUDGET



#### *Tax reduction*

Released on 23 February 2022, the 2022-23 Budget contains proposed tax measures of a one-off reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2021/22 by 100%, subject to a ceiling of \$10,000 per case.

The proposed tax reduction will only apply to the final tax for the year of assessment 2021/22, but not to the provisional tax of the same year. Therefore, taxpayers are still required to pay the 2021/22 provisional tax on time as previously assessed. Upon determination of the 2021/22 final tax, the provisional tax overpaid will be applied to settle the 2022/23 provisional tax. The excess balance, if any, will be refunded.

The proposed tax reduction is not applicable to property tax. Nevertheless, individuals with rental income, if eligible for personal assessment, may be able to enjoy such a reduction under personal assessment.

**(Continued)**

For salaries taxpayers or individuals electing to be taxed under personal assessment, a new tax measure is proposed to allow deduction for domestic rental expenses against their taxable income commencing from the year of assessment 2022/23. To be eligible, the taxpayers must not own any domestic property during the relevant assessment. The deduction claim is based on the rent paid by him/her or his/her spouse as the tenant. The annual ceiling of the deduction is \$100,000.

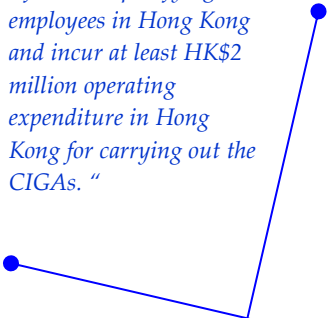
**Exemption to family-owned offices**

The Budget also proposed the introduction of tax exemption for family-owned investment holding vehicles (FIHVs). In this respect, a consultation paper was released in March 2022 to seek practitioners / community view on implementation details. The exemption is expected to become effective in 2022/23.

As set out in the consultation paper, the proposed features include:

1. Proposed conditions for a FIHV
  - The FIHV must be a corporation, partnership or trust set up in or outside Hong Kong with central management and control (CMC) in Hong Kong;
  - The FIHV must be exclusively and beneficially owned by one or more individuals who are connected persons of the same family (i.e., Single Family);
  - The assets of the FIHV must be managed by a Single Family Office (SFO) in Hong Kong;
  - The aggregate average value of assets under management for a family-owned structure shall be at least HK\$240 million; and
  - The FIHV must only serve as an investment vehicle for holding and administering the assets of the Single Family and must not directly engage in activities for general commercial or industrial purposes.
  
2. Proposed conditions for an SFO
  - It must be a private company with CMC in Hong Kong;
  - It must be exclusively and beneficially owned by the Single Family; and
  - It must not provide investment management services to entities not owned by the Single Family.
  
3. Qualifying transactions of the FIHV
  - The scope of “qualified transactions” in specified assets is expected to be similar to that under the existing unified tax exemption for funds (Schedule 16C to the Inland Revenue Ordinance); and
  - For investment in private companies that hold Hong Kong immovable property and short-term assets, the tests will follow those currently applicable to funds to determine whether such investment qualifies for the tax exemption.
  
4. Substantial activities requirements
  - The core income generating activities (CIGAs) relating to the asset management must be performed in Hong Kong; and each FIHV or the SFO should have at least 2 full-time qualifying employees in Hong Kong and incur at least HK\$2 million operating expenditure in Hong Kong for carrying out the CIGAs.
  
5. Anti-avoidance provisions
  - Anti-round tripping provisions shall be modelled on the existing ones applicable to unified tax exemption for funds.

*“... each FIHV or the SFO should have at least 2 full-time qualifying employees in Hong Kong and incur at least HK\$2 million operating expenditure in Hong Kong for carrying out the CIGAs.”*



Sharp & Tannan

Chartered Accountants

Every year, on 1 February, the finance minister of India presents budget proposals for the upcoming fiscal 1 April-31 March. We discuss the relevant highlights of the Union Budget 2022 ('the Budget'), which are applicable from the fiscal year 2022-23.

Budget 2022 is a progressive budget aimed to accelerate infrastructural growth, investments and job creation with a major focus on the supply chains and the micro, small and medium enterprises ('MSME') sector. The Budget assures stable tax rates leading to more foreign investments in India.

### **Key highlights of the budget proposals**

The four priorities of the Budget are:

1. PM GatiShakti: National Master Plan for multi-modal connectivity. It is a digital platform to bring 16 ministries including railways and roads together for integrated planning and coordinated implementation of infrastructure connectivity projects.
2. Inclusive development
3. Productivity enhancement and investment, sunrise opportunities, energy transition and climate action
4. Financing of investments

These will include:

1. Increase in the capital expenditure by 35.4%.
2. Government investment in economic growth and sustainable development through expansion in road and railways network, airports, ports, mass transport, waterways, and logistics infrastructure with world-class modern infrastructure and logistics synergy. The plan will help accelerate productivity, economic growth, and development and create tremendous job and entrepreneurial opportunities for the youth.
3. Raising and accelerating MSME performance to make the MSME sector more resilient, competitive, and efficient. Start-ups will be promoted to facilitate drone technology through varied applications and for 'Drone-As-A-Service' (DrAAS).
4. Digital banking and digital payments – With the rapid growth in digital banking, digital payments and fintech innovations, the Government will promote the use of economical and user-friendly payment platforms.
5. Focus on ease of doing business by adopting 'minimum government and maximum governance' approach.
6. Encourage the private sector to develop sustainable and innovative business models for 'Battery or Energy as a Service.'
7. The Government will enact supportive policies, light-touch regulations, facilitative actions to build domestic capacities, and promotion of research and development for the following sunrise sectors:
  - Artificial intelligence;
  - Geospatial systems and drones;
  - Semiconductors and its eco-system;
  - Space economy;
  - Genomics;
  - Pharmaceuticals;
  - Green energy; and
  - Clean mobility systems.

*"The Budget assures stable tax rates leading to more foreign investments in India."*

In addition, the Government will focus on several near-term and long-term actions for implementing the 'Low Carbon Strategy.'

Additional funds will be allotted towards 'Production Linked Incentive' for the manufacture of high efficiency modules, with priority to fully integrated manufacturing units from polysilicon to solar PV modules.

(Continued)

8. Digital Rupee: From FY 2022-23, the Reserve Bank of India (RBI) will introduce Digital Rupee using blockchain and other technologies.
9. E-passports: The issuance of e-passports using embedded chip and futuristic technology will be rolled out in 2022-23 to enhance convenience for the citizens in their overseas travel.
10. Digitalisation of land records: uniform process for registration and 'anywhere registration' of deeds and documents will be enabled by promoting 'One-Nation One-Registration Software.'
11. Insolvency and Bankruptcy Code (IBC): Necessary amendments in the IBC will be carried out to enhance the efficacy of the resolution process and facilitate cross border insolvency resolution.
12. Telecom sector:
  - a. Due to high growth and job opportunities in 5G technology, the necessary spectrum auctions will be conducted in 2022 to facilitate the rollout of 5G mobile services within 2022-23 by private telecom providers.
  - b. A scheme for design-led manufacturing will be launched to build a robust ecosystem for 5G as part of the Production Linked Incentive Scheme.
  - c. The government will promote R&D and commercialisation of technologies and solutions by allocating 5% of the annual collections under the Universal Service Obligation Fund.
  - d. To ensure deep penetration of IT and ITES, contracts for laying optical fibre in all villages, including remote areas, will be awarded under the Bharatnet project through PPP in 2022-23

## I. DIRECT TAXES

### A. Tax rates

1. Tax rates for resident individuals for assessment year ('AY') 2022-23 and AY 2023-24

Total income (Amount in INR)	Old regime -tax rate**	Optional regime*** -tax rate**	Resident individual - age more than 60 years but less than 80 years (Sr. Citizen) **	Resident individual -age more than 80 years (Super Sr. Citizen) **
Up to 2.50 lakhs*	Nil	Nil	Up to 3.00 L – Nil	Up to 5.00 L – Nil
2.50 L to 5.00 L	5%	5%	3.00 L to 5.00 L – 5%	
5.00 L to 7.50 L	20%	10%	20%	20%
7.50 L to 10.00 L		15%		
10.00 L to 12.50 L	30%	20%	30%	30%
12.50 L to 15.00 L		25%		
Above 15.00 L		30%		

\* 1 lakh = 100,000 and 1 crore = 10,000,000

\*\* Tax will include surcharge as under, and health and education cess @ 4% on total tax (i.e., IT + surcharge)

- Surcharge is applicable at the rate of 10% where total income exceeds INR 50 lakhs but does not exceed INR 1 crore,

*“From FY 2022-23, the Reserve Bank of India (RBI) will introduce Digital Rupee using blockchain and other technologies.”*

# INDIA

(Continued)

- Surcharge is 15% where total income exceeds INR 1 crore but does not exceed INR 2 crores,
- 25% where the total income exceeds INR 2 crores but does not exceed INR 5 crores; and
- 37% where the total income exceeds INR 5 crores.

**\*\*\* Under optional regime, resident individual will be eligible to opt for lower tax but will not be eligible to claim certain exemptions (like standard deduction, deductions for eligible investments, insurance premium, deposits in National Pension Scheme, donations etc.).**

2. Tax rates for partnership firms and limited liability partnerships for AY 2022-23 and AY 23-24

Total income	Tax rate
Up to 100.00 lakhs	30% + 4% health and education cess
Above 100.00 lakhs	30% + 12% surcharge and 4% health and education cess

3. Tax rates for corporates for AY 2022-23 and AY 2023-24

Company	Tax rates	MAT rates
Domestic companies opting for concessional corporate tax regime under section 115BAA	25.1680% (i.e., IT 22% + SC 10% + 4% EC)	NIL
New domestic companies (start-ups) with manufacturing activity, opting for concessional corporate tax regime	17.16 % (i.e., IT 15% + SC 10% + 4% EC)	NIL
Domestic companies NOT opting for concessional tax regime, having total turnover/gross receipts up to I 400 crore on Total Taxable Income	25% (Note)	15% (Note)
Domestic companies NOT opting for concessional tax regime, having total turnover/gross receipts exceeding I 400 crore on Total Taxable Income	30% (Note)	15% (Note)

*"Income from virtual digital assets (e.g., cryptocurrencies) will attract 30% income-tax."*

**Note:**

7% surcharge on tax, if taxable income is above INR 100 L up to INR 1,000 L and 12% surcharge on tax when taxable income exceeds INR 1,000 lakhs. 4% health and education cess applies to all tax payments.

Option under section 115BAA: Companies opting for lower tax rate are not eligible to claim tax exemptions like accelerated additional depreciation, deductions under section 80 (donations), R&D expenses etc.)

- B. Filing of updated return:** The assessee will be allowed to file an updated tax return within 2 years (instead of existing 1 year) from the end of AY on payment of prescribed additional taxes.

- C. Set-off of losses not allowed in search cases:** No set-off of brought forward loss/unabsorbed depreciation will be allowed against any undisclosed income unearthed during search / survey proceedings.

**D. Taxation of virtual digital assets (VDA)**

1. Income from virtual digital assets (e.g., cryptocurrencies) will attract 30% income-tax.
2. Only the cost of acquisition will be allowed as a deduction (while computing taxable gains).
3. No set-off/carry forward of such losses are allowed.

4. Payment on transfer of VDA will attract 1% tax deduction at source (TDS) at the time of transfer/sale.
5. Receipt of VDA for NIL or inadequate consideration will be taxable in the hands of the recipient.

(Continued)

### E. Tax incentives

1. A company set up and registered between 1 October 2019 and 31 March 2023 for manufacturing any article/thing can opt for a lower tax rate of 15% provided it does not claim other available deductions and set-offs. The manufacturing should on or before 31 March 2024.
2. Income of a non-resident from offshore derivative instruments, or over the counter derivatives issued by an offshore banking unit, income from royalty and interest on account of lease of ship and income received from portfolio management services in IFSC shall be exempt from tax, subject to specified conditions.
3. Rationalisation of surcharge – Where an association of person (AOP) consists of only companies as its members, the surcharge of 15% will be applicable. This will bring parity in surcharge paid by consortium of companies in global contracts.

### F. Tax assessments

1. **Faceless assessments:** Section 144B is entirely replaced by new section 144B to address various legal and procedural problems hitherto faced in relation to faceless assessments, re-assessments and re-computations.
2. **Litigation management:** For a sound litigation management, henceforth if a question of law (identical to that of the assessee) is pending before the jurisdictional High Court / Supreme Court, the Revenue department shall defer an appeal against the assessee till the time such identical pending case is decided by the court. This is applicable from 1 April 2022.
3. W.e.f. 1 April 2022, tax assessments and procedures in respect of insolvency and bankruptcy code (IBC) provisions are rationalised.

*“Income of a non-resident from offshore derivative instruments..., income from royalty and interest on account of lease of ship and income received from portfolio management services in IFSC shall be exempt from tax.”*

## II. INDIRECT TAXES

### A. Customs

1. Several amendments have been proposed to custom duty rates to align 'Make in India' or 'Atmanirbhar Bharat';
2. Removal of Anti-Dumping Duty (ADD) on certain steel products with effect from 1 February 2022.
3. Advance ruling is now proposed to be applicable for 3 years from the date of pronouncement or until there is a change in law or facts.

### B. Special Economic Zones (SEZ) Act

A new SEZ legislation will be enacted in partnership with States to utilise the available infrastructure and enhance competitiveness of exports optimally.

By September 2022, the customs administration of SEZs will become fully IT-driven with only risk-based checks. This will greatly ease the doing of business by SEZs.

### C. Goods and Services Tax

The GST procedures are largely IT-driven and Budget 2022 has further eased the GST procedures in respect of:

1. Input tax credit:
2. Relaxation in time-related compliances
3. Refunds

## MALAYSIA



### DEVELOPMENTS ON TAXABILITY OF FOREIGN SOURCED INCOME IN MALAYSIA

Malaysia adopts a territorial scope of taxation where only income accruing in or derived from or received in Malaysia is subject to income tax in Malaysia.

Since 2004, a resident person (other than a resident company carrying on the business of banking, insurance or sea or air transport) who derives income from sources outside Malaysia and remitted into Malaysia (foreign sourced income) is exempted from income tax under Paragraph 28, Schedule 6 of the Income Tax Act 1967.

In response to the European Union inclusion of Malaysia in its “grey list” of non-cooperative jurisdictions and to be in line with Malaysia’s commitment towards compliance with the international tax best practices, it was proposed during the tabling of the Budget 2022 that the exemption on foreign sourced income will no longer be applicable to tax residents with effect from 1 January 2022. This removal of exemption was made effective when the Finance Act 2021 was gazetted on 31 December 2021.

*“...exemption on foreign sourced income will no longer be applicable...”*

As a concession during the initial period of the exemption removal, a Special Income Remittance Programme was introduced where a special tax rate of 3% shall be charged on all foreign source income received by tax residents from 1 January 2022 to 30 June 2022. With effect from 1 July 2022, such income would be charged at the prevailing tax rates.

In view of the overwhelming responses and reactions of the taxpayer community on the exemption removal, the Ministry of Finance announced on 30 December 2021 that subject to conditions which will be set out in the guidelines which are to be issued by the Inland Revenue Board (“IRB”), the following foreign sourced income received from 1 January 2022 to 31 December 2026 (5 years) will continue to be exempted:

- Dividend income received by resident companies and limited liability partnerships; and
- All classes of income received by resident individuals, except for resident individuals which carry on a business through a partnership.

Following from this announcement, the Special Income Remittance Programme has been terminated. Nevertheless, any foreign sourced income received (between 1 January 2022 and 30 June 2022) that remains or has become taxable, the special tax rate of 3% continues to apply.

## PHILIPPINES



### CENTENARY YEAR OF THE ACCOUNTANCY PROFESSION IN THE PHILIPPINES

The President of the Philippines signed Proclamation No. 1333 declaring March 18, 2022 to March 17, 2023 as the Centenary Year of the Accountancy Profession in the Philippines. Said proclamation mentions that Republic Act No. 9298 or the Philippine Accountancy Act of 2004 “recognizes the importance of accountants in nation-building, and declares professional accountants, whose standard of practice and service shall be qualitative, world class and globally competitive”. Further, “the accountancy profession in the Philippines has promoted and sustained the highest standards of professionalism and ethics and produced thousands of Certified Public Accountants (CPAs) of invaluable integrity and service, who have contributed immensely to the development of our nation, especially in the fields of finance and trade”.

The Professional Regulatory Board of Accountancy will lead the observance and celebration of this milestone in the history of the Accountancy Profession in the Philippines. All other agencies and instrumentalities of the National Government are enjoined, and all local government units, non-government organizations, professional associations, and the private sector, are encouraged to actively participate and render support and assistance to the Board of Accountancy to ensure the successful implementation of the said Proclamation.

## AMENDMENTS TO REPUBLIC ACT NO. 8762, RETAIL TRADE LIBERALIZATION ACT OF 2000

PHILIPPINES

(Continued)

On January 24, 2022, the Bureau of Internal Revenue issued Revenue Memorandum Circular No. 11-2022, Circularizing Republic Act No. 11595, titled "An Act Amending Republic Act No. 8762, Otherwise Known as the 'Retail Trade Liberalization Act of 2000', by Lowering the Required Paid-Up Capital for Foreign Retail Enterprises, and for Other Purposes".

The highlights include:

1. Reduction in the minimum paid-up capital requirements. All foreign-owned retail enterprises must now only have a minimum paid-up capital of at least Php25 million (US\$500,000).

The foreign retailer shall be required to maintain in the Philippines at all times the paid-up capital of Php25 million, unless the foreign retailer has notified the Securities and Exchange Commission (SEC) or the Department of Trade and Industry (DTI), whichever is appropriate, of its intention to repatriate its capital and cease operations in the Philippines. Failure to maintain in the Philippines the required paid-up capital prior to notification of the SEC or the DTI shall subject the foreign retailer to penalties or restrictions on any future trading activities/business in the Philippines.

2. Certification of pre-qualification is no longer required.
3. Reduction in minimum investment required for each store for foreign-owned retail trade enterprises from US\$830,000 per store to Php 10 million (US\$200,000).
4. Retail enterprises with foreign ownership of more than eighty percent (80%) are no longer required to offer a minimum of thirty percent (30%) of their equity to the public through any stock exchange in the Philippines within eight (8) years from start of operations.
5. Preferential use of Filipino labor.

In all cases, the employment of foreign nationals by foreign retailers shall comply with the applicable provisions on the Labor Code on the determination of non-availability of a competent, able and willing Filipino citizen before engaging the services of a foreign national, with due regard to the State policy under the Constitution to promote the preferential use of Filipino labor.

6. Promotion of locally manufactured products

Foreign retailers are encouraged to have a stock inventory of products which are made in the Philippines.

*"All foreign-owned retail enterprises must now only have a minimum paid-up capital of at least Php25 million (US\$500,000)."*

## SINGAPORE BUDGET 2022 OVERVIEW

SINGAPORE

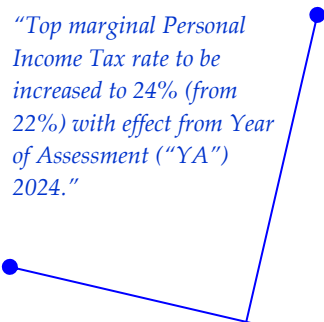
On 18 February 2022, Minister for Finance (the Minister), Mr. Lawrence Wong, presented Singapore's 2022 Budget Statement. This year's Budget provides clear directives to strengthen Singapore's competitive advantage and social compact, so as to prepare the country for a brighter and greener future. The Government also announced plans to accelerate investment in digital capabilities, provide more support for SMEs to undertake research & development activities and to launch a new initiative called "Singapore Global Enterprises" to assist promising local firms to go global. Overall, Budget 2022 reflects Singapore's ethos of a shared compact in building a better future.

STEVEN TAN RUSSELL BEDFORD PAC  
Public Accounting Corporation  
(Reg. No. 20200003)



**(Continued)**

*“Top marginal Personal Income Tax rate to be increased to 24% (from 22%) with effect from Year of Assessment (“YA”) 2024.”*



Some of the broad-based measures include:

### Supporting Local Enterprises

- \$500 million Jobs and Business Support Package
  - Small Business Recovery Grant: targeted support for specific sectors - \$1,000 per local employee (capped at \$10,000 per firm) and \$1,000 for sole proprietors/partnerships with at least one local business owner, but no local employee
  - Extension of Jobs Growth Incentive (JGI) to Sep 2022, with stepped down rates but will only cover mature workers, persons with disabilities and ex-offenders
- Extension of financing support schemes
  - Temporary Bridging Loan Programme and Enterprise Financing Scheme – various types of loans extended with revised parameters
- Progressive Wage Credit Scheme to co-fund 15% to 50% wage increases of lower-wage workers between FY 2022 and FY 2026

### Business Tax

- There is no change to the corporate income tax rate, currently at 17% and no tax rebates.
- Minimum Effective Tax Rate (“METR”) regime may be introduced to top up the qualifying MNC group’s effective tax rate in Singapore to 15%, in response to Pillar Two of the Base Erosion and Profit Shifting (BEPS) 2.0 initiative
- Approved Royalty Incentive extended to 31 Dec 2028 and simplified to cover classes of royalty agreements based on an activity-set-based approach
- Various schemes allowed to lapse after 31 Dec 2022: such as Infrastructure Trustee-Manager/Fund Management Company scheme, withholding tax exemption for payments made under interest rate or currency swap transactions by financial institutions, and Integrated Investment Allowance scheme
- Various schemes extended or enhanced: withholding tax exemptions for the aerospace, maritime and financial sectors, funds incentive schemes, Approved Foreign Loan scheme, tax incentives for project and infrastructure finance, and Tax Framework for Qualifying Corporation Amalgamations extended or enhanced

### GST

- It is announced that the GST rate increase is delayed to 2023 and will be increased in 2 steps: 8% from 1 Jan 2023 and 9% from 1 Jan 2024

### Individual Tax

- Top marginal Personal Income Tax rate to be increased to 24% (from 22%) with effect from Year of Assessment (“YA”) 2024. Resident taxpayers’ chargeable income in excess of \$0.5 million up to \$1 million will be taxed at 23% while that in excess of \$1 million will be taxed at 24%
- Personal Income Tax rate for non-tax residents (except employment income certain other income) to be increased to 24% from YA 2024

### Addressing Wealth Inequality

- A new Additional Registration Fee tier for luxury cars with open market value above \$80,000 will be introduced at a rate of 220% with effect from the second Certificate of Entitlement (COE) bidding exercise in Feb 2022
- To revise and phase over 2 years the progressive Property Tax rate starting from 2023, to 12% - 36% (up from 10% - 20%) for all non-owner-occupied residential properties; and 6% - 32% (up from 4% - 16%) for owner-occupied residential properties on the portion of annual value in excess of \$30,000

## Accelerating Our Digital and Innovation Capabilities

- \$200 million set aside to invest and enhance digital capabilities:
  - Advanced Digital Solutions scheme: up to 70% funding support to participating enterprises for the adoption of cutting-edge digital solutions
  - Grow Digital scheme: up to 70% funding support to participating enterprises to onboard pre-approved digital platforms, B2B and B2C e-commerce platforms
  - TechSkills Accelerator: support individuals to upskill and reskill to develop a skilled Information and Communication Technology workforce
- \$600 million earmarked to enhance the Productivity Solutions Grants
- Increased capacity of centres engaging in technology, innovation and enterprises activities in tertiary institutions to provide research and innovation support to SMEs across these pilot sectors: Agri-Tech, Construction, Food Manufacturing, Precision Engineering and Retail

(Continued)

## Tuning Foreign Talent Policies

- Changes to Employment Pass/S Pass for new applications from 1 Sep 2022, and renewal applications from 1 Sep 2023
  - Minimum qualifying salaries for Employment Pass raised to \$5,000; \$5,500 for financial services
  - Minimum qualifying salaries for S Pass raised to \$3,000; \$3,500 for financial services; and further increased thereafter in a phased manner
  - Progressive increase in Tier 1 S Pass FWL rate from \$330 to \$650 by 2025
  - Adjustments to FWL rates for Work Permit holders in the Construction and Process sectors from 1 Jan 2024
- To reduce the Dependency Ratio Ceiling for the Construction and Process sectors and introduction of new levy framework from 1 Jan 2024

*“Allow carbon tax-liable businesses to use carbon credits to offset up to 5% of taxable emission from 2024.”*

## Supporting The Family

- \$640 million top-up to the Assurance Package for GST:
  - \$700 to \$1,600 cash payout for all Singaporean aged 21 and above over the next 5 years
  - \$600 to \$900 additional GST Voucher (GSTV) for eligible seniors aged 55 and above over the next 3 years
  - \$330 to \$570 additional GSTV-U-Save rebates for eligible households over the next 4 years
  - \$450 MediSave top-ups over the next 3 years for Singaporean children aged 20 and below and seniors aged 55 and above
- \$560 million Household Support Package Scheme:
  - GSTV-U-Save rebates will be doubled for eligible households for the rest of 2022
  - Additional \$200 top-up to Child Development Account, Edusave Account or Post-Secondary Education Account for every Singapore child below age 21
  - \$100 CDC vouchers for all Singapore households in 2022

## Green and Sustainable Future

- Accelerate adoption of electric vehicle by building more charging points near homes
- Issuance of up to \$35 billion in green bonds by 2030 to fund public sector green infrastructure projects
- Carbon tax to be raised to \$25 (from \$5) per tonne in 2024, \$45 in 2026, and \$50 to \$80 per tonne by 2030
- Allow carbon tax-liable businesses to use carbon credits to offset up to 5% of taxable emission from 2024
- Introduction of a transition framework to help emission-intensive, trade-exposed sectors manage the near-term impact on their competitiveness

### Disclaimer

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

### Business consultants with a global perspective

NETWORK OF THE YEAR



INTERNATIONAL ACCOUNTING BULLETIN



## Russell Bedford Asia Pacific Offices & Contacts

### Australia - Adelaide

**Thomas Green**  
Tom@leegreen.com.au  
www.leegreen.com.au

### Australia - Brisbane

**James Whitelaw**  
JamesW@hmgwgroup.com.au  
www.hmgwgroup.com.au

### Australia - Melbourne

**Bruce Saward**  
bruce@sawarddawson.com.au  
www.sawarddawson.com.au

### Australia - Perth

**Martin Michalik**  
mmichalik@stantons.com.au  
www.stantons.com.au

### Australia - Sydney

**Mark Edwards**  
mark.edwards@cambos.com.au  
www.camphinboston.com.au

### Bangladesh

**Mohammed Forkan Uddin**  
forkan@mmrahman.org  
www.mmrahman.org

### China - Beijing / Shanghai

**Guoqi Wang**  
guoqi\_wang@huaander.com  
www.huaander.com

### China - Hong Kong / Guangzhou / Shanghai

**Jimmy Chung**  
jimmychung@russellbedford.com.hk  
www.russellbedford.com.hk

### China - Shanghai

**Charles Wang**  
charles.w@jialiangcpa.cn  
www.jialiangcpa.cn

### India

**Shreedhar T. Kunte**  
shreedhar.kunte@sharpandtannan.com  
www.sharp-tannan.com

### Indonesia

**Syarief Basir**  
sbasir@russellbedford.co.id  
www.russellbedford.co.id

### Japan - Sapporo / Tokyo

**Norihito Uryu**  
n.uryu@audit-hibi.biz  
www.audit-hibi.biz/en/service

### Japan - Tokyo

**Masatoshi Ito**  
m\_ito@shin-sei.jp  
https://shin-sei.jp

### Korea (South) - Seoul

**Minji Park**  
minji.park@shcpa.co.kr  
www.shcpa.co.kr

### Malaysia

**Loh Kok Leong**  
lohkl@russellbedford.com.my  
www.russellbedford.com.my

### Nepal

**BM Dhungana**  
bmdhungana@bnb.com.np  
www.bnb.com.np

### Pakistan

**Rashid Rahman Mir**  
rsrirlhr@brain.net.pk

### Philippines

**Ma. Milagros F. Padernal**  
mfpadernal@mfpadernal.com  
www.mfpadernal.com

### Singapore

**Andrew Lim**  
andrew@russellbedford.com.sg  
www.russellbedford.com.sg

### Taiwan

**Arthur Lin**  
jsgcpa@russellbedford.com.tw  
www.russellbedford.com.tw

### Thailand

**Sansanee Poolsawat**  
sansanee@proudinpro.co.th  
www.proudinpro.co.th/en

### Vietnam - Hanoi

**Linh Thuy Do**  
Linh.thuy.do@kctcvietnam.com  
www.russellbedford.vn

### Vietnam - Ho Chi Minh City

**Van Anh Thai**  
van.anh.thai@kctcvietnam.com  
www.russellbedford.vn



MEMBER OF THE

## FORUM OF FIRMS

### Russell Bedford International

3<sup>rd</sup> Floor, Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB  
United Kingdom

[marketing@russellbedford.com](mailto:marketing@russellbedford.com)

[www.russellbedford.com](http://www.russellbedford.com)

Russell Bedford International is a global network of independent firms of accountants, auditors, tax advisers and business consultants.

Ranked as one of the world's top accounting networks\*, Russell Bedford International is represented by some 850 partners, 7500 staff and 350 offices in almost 100 countries in Europe, the Americas, Middle East, Africa, Indian Sub-Continent and Asia-Pacific.

\*Ranked by global revenues in International Accounting Bulletin World Surveys. Networks defined in accordance with IFAC Code of Ethics.