

ANNEX C-2: TAX INCENTIVES RECOMMENDED BY EQUITIES MARKET REVIEW GROUP

The Equities Market Review Group was set up in August 2024 to recommend measures to strengthen equities market development in Singapore. The Review Group, chaired by Mr Chee Hong Tat, Minister for Transport, Second Minister for Finance and Deputy Chairman of MAS, comprises key private sector stakeholders and public sector representatives.

The Review Group has submitted tax-related recommendations to the Government, which aim to encourage new listings in Singapore and increase investment demand for Singapore-listed equities.

The Government has accepted these recommendations and will introduce three tax incentives:

- (A) Listing Corporate Income Tax (“CIT”) Rebate for new corporate listings in Singapore;
- (B) Enhanced concessionary tax rate (“CTR”) for new fund manager listings in Singapore; and
- (C) Tax exemption on fund managers’ qualifying income arising from funds investing substantially in Singapore-listed equities.

(B) and (C) are enhancements to the Financial Sector Incentive – Fund Management (“FSI-FM”), which currently awards a CTR of 10% on qualifying income derived by fund managers in Singapore from the provision of fund management and investment advisory services.

The Review Group will share more details on its recommendations after Budget 2025.

(A) Listing Corporate Income Tax Rebate for New Corporate Listings in Singapore

To encourage companies to raise public capital and grow their economic activities in Singapore, **qualifying entities may apply for a 10% or 20% Listing CIT Rebate**. Refer to [Table 1](#) for more details.

Table 1: Listing CIT Rebate for New Corporate Listings in Singapore

Parameter	Details
Qualifying entities	Companies and registered business trusts that are tax residents in Singapore
Tax benefit	Primary listings: 20% CIT rebate Secondary listings (with share issuance): 10% CIT rebate Subject to rebate cap of: (a) \$6 million per Year of Assessment (“YA”) for qualifying entities with market capitalisation of at least \$1 billion; or

Parameter	Details
	(b) \$3 million per YA for qualifying entities with market capitalisation of less than \$1 billion
Minimum criteria	Achieve a primary or secondary (with share issuance) listing on a Singapore exchange and remain listed for 5 years. Commit to incremental local business spending or fixed asset investments, and incremental skilled employment by the end of the award tenure.
Award tenure	5 years per qualifying entity, non-renewable
Scheme duration	Open for award until 31 December 2027
Administering agency	Interested entities can approach EDB or EnterpriseSG to enquire for more details

(B) Enhanced CTR for New Fund Manager Listings in Singapore

To enhance Singapore's value proposition to fund managers seeking to scale up their activities via public fundraising and grow their investment activities in Singapore, **an enhanced CTR tier of 5% will be introduced under the FSI-FM for newly listed fund managers**. Refer to [Table 2](#) for more details.

Table 2: Enhanced CTR for New Fund Manager Listings in Singapore

Parameter	Details
Qualifying entities	Singapore fund managers
Tax benefit	5% CTR on qualifying income
Minimum criteria	Fund manager or its holding company achieves a primary listing on a Singapore exchange and remains listed for 5 years. Fund manager must distribute a portion of its profits as dividends. Fund manager must also meet minimum requirements for professional headcount and assets under management ("AUM").
Qualifying income	Fees earned from qualifying fund management and investment advisory activities under FSI-FM
Award tenure	5 years per fund manager, non-renewable
Scheme duration	Open for award until 31 December 2028
Administering agency	Interested fund managers can approach MAS to enquire for more details

(C) Tax Exemption on Fund Managers’ Qualifying Income Arising from Funds Investing Substantially in Singapore-Listed Equities

To support fund managers to launch and manage qualifying funds that invest substantially in Singapore-listed equities, **a corporate tax exemption on income arising from such funds will be introduced under the FSI-FM**. Refer to [Table 3](#) for more details.

Table 3: Tax Exemption on Fund Managers’ Qualifying Income Arising from Funds Investing Substantially in Singapore-Listed Equities

Parameter	Details
Qualifying entities	Singapore fund managers
Tax benefit	Tax exemption on qualifying income
Minimum criteria	Fund managers must meet minimum requirements for professional headcount and AUM, as currently required of FSI-FM companies. Qualifying funds must meet the following criteria: (a) <u>For new funds</u>: At least 30% of AUM invested in Singapore-listed equities (b) <u>For existing funds</u>: (i) At least 30% of AUM invested in Singapore-listed equities; and (ii) Annual net inflows (i.e., subscriptions less redemptions to fund) equivalent to at least 5% of fund’s AUM in the preceding year
Qualifying income	Fees earned from fund management and investment advisory activities related to the qualifying funds (as defined in the minimum criteria)
Award tenure	5 years per fund managed by fund manager, non-renewable
Scheme duration	Open for award until 31 December 2028
Administering agency	Interested fund managers can approach MAS to enquire for more details

More Information

Scheme	Contact Details
Listing CIT Rebate for New Corporate Listings in Singapore	Please contact: a) EnterpriseSG at +65 6898 1800 or through their enquiry and feedback form ; or b) EDB at client_services@edb.gov.sg .
Enhanced CTR for New Fund Manager Listings in Singapore	Please contact MAS at helpdesk@mas.gov.sg .
Tax Exemption on Fund Managers' Qualifying Income Arising from Funds Investing Substantially in Singapore-Listed Equities	Please contact MAS at helpdesk@mas.gov.sg .