Annex: MOF’s responses to key feedback on the proposed Finance (Income Taxes) Bill 2026

Amendments to the ITA

1. **Enhancement of the Enterprise Innovation Scheme (“EIS”) to support businesses in adopting AI**

    a) Feedback: Include illustrative examples of “AI system” in the legislation to provide clarity and reduce the risk of incorrect claims.

    Response: **Accepted**. We have provided broad examples of AI systems under section 14ZK(2).

    b) Feedback: Allow businesses to rely on vendors’ breakdown of AI and non-AI expenditure, and where unavailable, allow a fixed percentage of bundled expenditure to be deemed as qualifying AI expenditure to provide greater certainty and reduce compliance burden.

    Response: **Accepted with modifications.** Where separate pricing for AI and non-AI components is available (e.g. a breakdown is provided by the vendor), businesses should claim deductions on the AI expenditure accordingly. Otherwise, businesses should make a reasonable estimate of the portion attributable to AI expenditure. We will not prescribe a fixed percentage of bundled expenditure to be deemed as qualifying AI expenditure as this would differ across claims.

    c) Feedback: Allow hardware expenditure that is wholly and directly attributable to the deployment, operation, or development of an AI system to qualify for the enhanced tax deductions under EIS.

    Response: **Not accepted.** The EIS covers a wide range of common AI solutions and tools offered as software or cloud-based subscriptions, as well as related costs such as business services and employee training. Hardware costs are not included because hardware can often be used for a wide range of purposes beyond AI adoption, and therefore carries higher risk of potential misuse.

2. Requirement for companies to use IRAS' e-service to file objections and revisions to their tax assessments

a) Feedback: Retain the current arrangement where companies have the flexibility to file objections and revisions via various modes (e.g. paper mail or email), as some companies may not be familiar with IRAS' e-service.

Response: **Not accepted.** The digitalisation of IRAS' services is expected to benefit companies through faster resolution of their objection and revision requests. The e-service for objections and revisions has a similar interface to that for filing Corporate Income Tax returns, which companies have been using since 2020. Today, most objections and revisions are already filed via IRAS' e-service. IRAS will provide support through step-by-step instructions on its website and taxpayers may continue to contact IRAS for assistance on the use of the e-service where needed.

b) Feedback: The e-service may have practical limitations, e.g. file size restriction, limited word count and system downtime. The current e-service also restricts the appointment of only one tax agent at a time, which may lead to delay and inefficiency.

Response: **Accepted with modifications.** Based on feedback from engagements with businesses, IRAS has incorporated changes to improve the design of the e-service where feasible. In addition, IRAS has identified certain exceptional circumstances where mandatory use of the e-service may not be feasible or appropriate, and where IRAS will continue to accept submissions of objections and revisions made via other modes. These include:

- Complex Corppass authorisation situations where existing Corppass configurations cannot accommodate the required authorisation arrangements;
- Confirmed system outages or technical issues affecting the e-service; and
- Cases involving multiple Years of Assessment with objections and/or revisions on identical issues.

The list of exceptional circumstances will be published on the IRAS website in due course. The list may be updated over time taking into account feedback from stakeholders.

3. Standardisation and extension of the timeline for appeals against Board of Review decisions to the General Division of the High Court

a) Feedback: The proposed provision in the Property Tax Act 1960 ("PTA") differs from how the equivalent proposed provisions are structured in the ITA and the Goods and Services Tax Act 1993 ("GSTA") – the proposed ITA and GSTA provisions combine the requirements for filing an appeal with the requirements for the service of documents in a single subsection, whereas the PTA provision separates these requirements. This difference in structure may create ambiguity over whether the 28-day deadline for serving documents under the PTA should start from the date of the Board of Review's decision or from the date the appeal is filed. To eliminate the ambiguity, suggest aligning the structure of the proposed PTA provision with the proposed ITA and GSTA provisions.

   Response: **Not accepted.** The existing provision in the PTA already sets out the timeline for filing an appeal, and will be amended to reflect the extension of the timeline. Since the timeline for filing an appeal has been prescribed, the proposed PTA provision only needs to address the service of documents. In comparison, the ITA and GSTA do not have an existing provision that specifies the timeline for filing an appeal. Thus, the proposed provisions in the ITA and the GSTA need to specify the timelines for filing the appeal and for service of documents. With the amendments, the timeline for filing and service of documents across the three Acts will be the same, i.e. 28 days from the date of the Board of Review's decision.

Amendments to the MMTA

4. Implementation of the GloBE information return exchange framework

a) Feedback: Provide details on the circumstances in which the Comptroller would require a local filing of the GloBE information return ("GIR") if the return was already filed on time in another jurisdiction, but the information in the return has not been transmitted to Singapore.

Response: **Accepted.** The Comptroller will require a local filing where IRAS has not received the GIR within the stipulated deadlines under the Multilateral Competent Authority Agreement on the Exchange of GloBE Information, despite reasonable efforts to retrieve the GIR from the relevant jurisdiction. IRAS will provide further details in its e-Tax guide.

b) Feedback: Propose a transitional period of administrative leniency for inadvertent non-compliance during the initial years of GIR filing.

Response: **Accepted.** As mentioned in IRAS' e-Tax guide, IRAS will adopt a light-touch approach for the first three Financial Years ("FY") (i.e. FY 2025 to FY 2027), if a Multinational Enterprise group can demonstrate that it has taken reasonable measures to ensure the correct application of the rules.