

## Tax Incentives For Research & Development

Section	Tax Incentives	Requirements	Tax Benefits
14D of SITA	Deduction for expenditure on R&D	<p>Prior to YA 2009, expenses must be incurred for an R&amp;D project that is related to the trade/business and undertaken in-house or outsourced to a R&amp;D organisation. If the R&amp;D organisation is outside Singapore, the benefit from the R&amp;D project must accrue to the Singapore company.</p> <p>From YA 2009, the R&amp;D expenses incurred need not be related to the existing trade if the project is undertaken in Singapore.</p>	Tax deduction on expenditure incurred for R&D activities undertaken in-house or outsourced to R&D organisation.
14DA of SITA	Enhanced deduction for qualifying expenditure on R&D	In addition to deduction under section 14D, further deduction equal to 50% of qualifying R&D expenditure can be claimed for R&D carried out in Singapore either directly by taxpayer or outsourced to an R&D organization in Singapore. R&D expenditure incurred need not be related to the existing trade.	Enhanced deduction amounting to 50% of qualifying R&D expenditure.
14E of SITA	Further deduction for expenditure on R&D project *	<p>The R&amp;D project must be approved by the Minister and be carried out in Singapore.</p> <p>For R&amp;D project approved from YA 2009, such project need not be related to the existing trade.</p>	Further deduction up to 100% of qualifying expenditure allowed on approved R&D project in Singapore undertaken in-house or outsourced to R&D organisation. Total deduction under section 14D, 14DA and 14E cannot exceed 200%.
19C of SITA	Writing-down allowance for approved cost-sharing agreement for Research and Development (R&D) activities *	Approved cost sharing agreement in respect of R&D activities for the purpose of the trade.	Writing down allowance of 100% may be claimed on approved R&D expenditure incurred for cost sharing agreement entered into and approved on or after 17 February 2006.

Note:

\* Administered by EDB