

May 2007 - Key Changes in Singapore Budget 2007

a. The 80:20 rule for income tax exemption for registered charities and exempt charities will be removed from Year of Assessment 2008.

Charities will no longer need to spend at least 80% of their annual income receipts on charitable objects in Singapore within 2 years in order to receive income tax exemption. This will enable charities to optimise their investments and use of funds over time to sustain their charitable programmes.

b. The 80:20 fund-raising rule that applies to fund-raising appeals for foreign charitable causes will be waived for private donations raised by approved entities¹, but retained for donations raised from the general public.

Approved entities will no longer need to spend in Singapore at least 80% of the private donations raised for foreign charitable causes. This will provide better support for the charitable work of reputable organisations and grantmakers with an international or regional orientation, while ensuring that funds raised from the general public goes primarily towards benefiting the Singapore community.

c. Double tax deductions will be allowed for donations to qualifying grantmaking philanthropic organisations as long as the donations are channelled to Institutions of a Public Character (IPCs) in Singapore.

Donors will no longer need to donate directly to local IPCs to enjoy double tax deduction on their donations. They may choose to donate through an intermediary who can facilitate a more structured and sustained form of giving to local IPCs.

d. Tax exemption may be granted for not-for-profit organisations (NPOs) with regional or international charters that can bring economic value to Singapore.

A new scheme administered by the Economic Development Board (EDB) and Monetary Authority of Singapore (MAS) will allow tax exemption for certain NPOs with regional or international charters that can bring economic value to Singapore.

http://www.mof.gov.sg/budget_2007/key_initiatives/benefits_for_business.html