

# Singapore Budget 2023 Interactive Guide

## Key Budget Measures and Updates That Businesses Need to Know



# "Moving Forward In A New Era"

## Key Budget Measures and Updates That Businesses Need to Know

Mr. Lawrence Wong, Minister of Finance, unveiled the Singapore Budget 2023 in Parliament on Tuesday, February 14, 2023. This year's budget theme, "Moving Forward In A New Era," outlines how Singapore will navigate new challenges in a world emerging from the pandemic amidst high inflation and a GST increase. In this time of economic uncertainty, Singapore must maintain financial prudence while supporting Singaporeans.

The budget proposals centered on five key sub-themes as support measures for Singaporeans, growing our economy and equipping our workers, strengthening our social compact, building a resilient nation, and lastly, a competitive, resilient, and fair tax system.

This interactive guide focuses more on updates, enhancements, and new schemes introduced during the budget. This guide will also help you navigate through some of the most relevant initiatives, how you can go about applying, and where you can find more information.

[START](#)

### How to use this guide:

To use this interactive guide, Click on any item on the "Menu Bar" above. This will appear throughout this guide and help you navigate to a specific key budget scheme.

**ENHANCED  
SCHEME  
FOR 2023**

## Progressive Wage Credit Scheme

Introduced first during the Budget 2022, this scheme provided transitional support to employers for Progressive Wage moves by co-funding wage increases for eligible lower-wage workers between 2022 and 2026. Enhanced for 2023 is the **increase in the Government's share of co-funding from 50%-70% for the first tier and 30%-45% for the second tier** while maintaining all other parameters.

### WHO CAN APPLY?

- Targeted at employers hiring **resident lower-wage workers with gross monthly wages of up to \$2,500**, with an additional tier of support for workers with **gross monthly wages of above \$2,500 and up to \$3,000**.
- Average gross monthly wage increase must be at least \$100 in each qualifying year.

### HOW CAN I APPLY?

**No applications needed.** Employers can expect to receive the PWCS payout from the Inland Revenue Authority of Singapore (IRAS) by the first quarter of the following year.

### HOW CAN I ENQUIRE OR APPEAL?

You can contact IRAS at **6351 3390** between 8 am and 5 pm from Monday to Friday for assistance.

[Click here for more information](#)



**EXTENDED  
SCHEME  
FOR 2023**

## Senior Employment Credit

The scheme was first introduced in Budget 2020 and provided wage offsets to employers hiring senior Singaporean workers aged 60 and above and earning up to \$4,000 a month. This year's Budget 2023 announced the **extension of this scheme until 2025**.

*Details are to be announced at MOM's Committee of Supply.*





EXTENDED  
SCHEME  
FOR 2023

## Part-time Reemployment Grant

Initially introduced in Budget 2020, this scheme provided support to companies that offer part-time re-employment, other flexible work arrangements, and structured career planning to senior workers. This year's Budget 2023 announced the **extension of this scheme until 2025**.

*Details are to be announced at MOM's Committee of Supply.*

**ENHANCED  
SCHEME  
FOR 2023**

## Enabling Employment Credit

Initially introduced in Budget 2020, this scheme provided support to employers hiring persons with disabilities (PwDs). This year's Budget 2023 announced its enhancement to cover a larger proportion of wages and a longer duration for PwDs who have not worked for at least six months.

*Details are to be announced at MOM's Committee of Supply.*





**NEW SCHEME  
FOR 2023**

## Uplifting Employment Credit

This year's budget introduced this new scheme in the form of a time-limited wage offset to encourage firms to hire ex-offenders.

*Details are to be announced at MOM's Committee of Supply.*



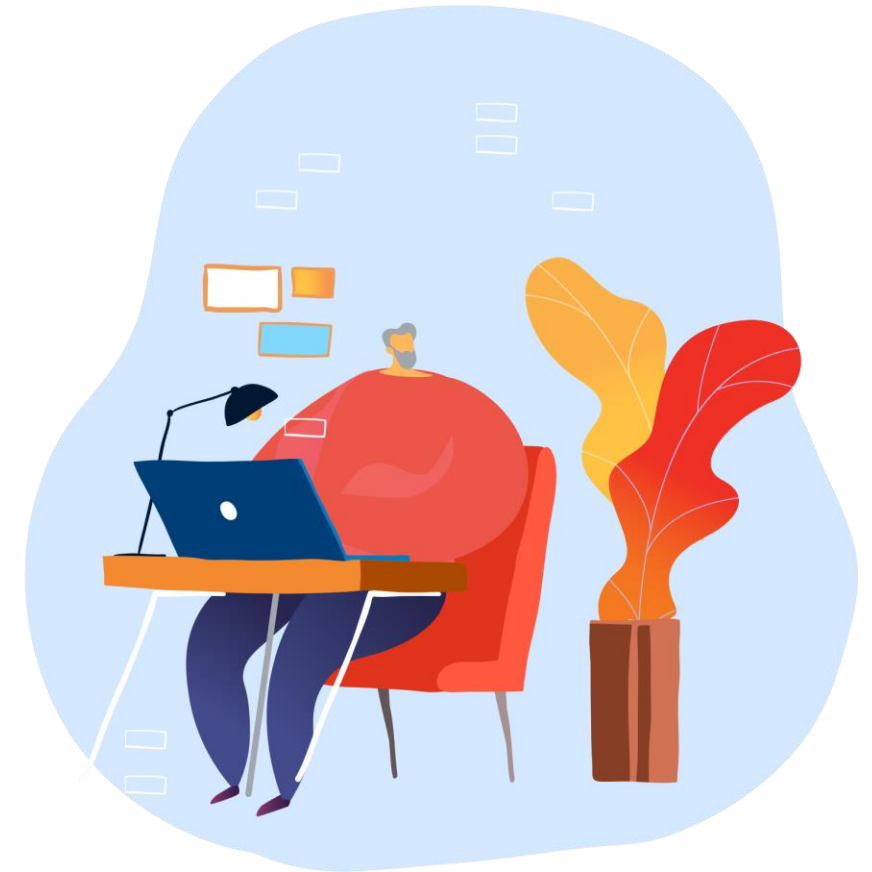
# Strengthen Retirement Adequacy

To alleviate the rise in business costs due to the increase in CPF contribution rates for senior workers, the Government will provide employers with a transitional wage offset equivalent to 50% of each year's increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ aged above 55 to 70.

The offset to employers will be based on employees' monthly incomes<sup>1</sup> paid up to the CPF salary ceiling of \$6,000 per month.

- Provide **CPF Transition Support** to lower-income Platform Workers for an increase in CPF contributions.
- Increase **CPF contribution rates** for senior workers and provide **CPF Transition Offset**.
- Increase the **minimum CPF monthly payout** for seniors on **Retirement Sum Scheme to \$350**.
- Increase **CPF monthly salary ceiling** from **\$6,000 to \$8,000 by 2026**.

*More details are to be announced at MOM's Committee of Supply.*



## HOW CAN I ENQUIRE OR APPEAL?

Please contact the CPF Board at  
<http://www.cpf.gov.sg/contact-us>



**EXTENDED  
SCHEME  
FOR 2023**

# EEFS–Working Capital Loan

Extension of enhanced support for operational cashflow needs from **1 April 2023 to 31 March 2024**, amidst inflationary pressures

- *\$500,000 maximum loan quantum (from \$300,000)*

## WHO CAN APPLY?

- Business entity\* that is registered and physically present in Singapore; and
- At least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership; and
- Has Group Annual Sales Turnover of not more than \$500 million; and
- For “SME Working Capital”, SME refers to Group revenue of up to \$100 million or maximum employment size of 200 employees.

*\*ACRA-registered Sole Proprietorship, Partnership, Limited Liability Partnerships and Companies are eligible to apply for the scheme. Approval of the loan is subject to the Participating Financial Institution’s assessment.*

## HOW CAN I APPLY?

Apply via any of the participating financial institutions listed in the link below:

[Participating Financial Institutions](#)

## HOW CAN I ENQUIRE OR APPEAL?

Contact Enterprise Singapore at **6898-1800** or submit an enquiry through [www.go.gov.sg/helloesg](https://www.go.gov.sg/helloesg)

[More Information click here](#)



**EXTENDED  
SCHEME  
FOR 2023**

# EEFS– Trade Loan

Extension of enhanced support for trade financing needs from **1 April 2023 to 31 March 2024**, amidst inflationary pressures

- *\$10 million maximum loan quantum (from \$5 million)*
- *70% Government risk-share for loans (from 50%)*

## WHO CAN APPLY?

- Business entity\* that is registered and physically present in Singapore; and
- At least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership; and
- Has Group Annual Sales Turnover of not more than \$500 million.

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**EXTENDED  
SCHEME  
FOR 2023**

## EEFS– Project Loan

Extension of support for domestic projects for construction sector from **1 April 2023 to 31 March 2024**.

### WHO CAN APPLY?

- Business entity\* that is registered and physically present in Singapore; and
- At least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership; and
- Has Group Annual Sales Turnover of not more than \$500 million; and
- Enterprises registered with SSIC codes beginning with 41, 42, or 43.

*\*ACRA-registered Sole Proprietorship, Partnership, Limited Liability Partnerships and Companies are eligible to apply for the scheme. Approval of the loan is subject to the Participating Financial Institution's assessment.*

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[Participating Financial Institutions](#)

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[More Information click here](#)

**EXTENDED  
SCHEME  
FOR 2023**

# Energy Efficiency Grant

Extension of support from **1 April 2023 to 31 March 2024** for up to 70% of qualifying costs, capped at \$30k, for the adoption of pre-approved list of energy-efficiency equipment for SMEs in Food Services, Food Manufacturing, or Retail Sectors.

## WHO CAN APPLY?

- Is a business entity registered and operating in Singapore in the food services, food manufacturing, or retail sectors as defined below:
  - Food Services companies must have valid Singapore Food Agency (SFA) licenses and be classified under SSICs 56 or 68104.
  - Food Manufacturing companies must have valid SFA licenses and be classified under SSIC 10 or 11.
  - Retail companies that are classified under SSIC 47.
- At least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership; and Has Group annual sales turnover of not more than \$100 million, or Group employment size of not more than 200 employees; and
- The equipment purchased must be used in Singapore.

## HOW CAN I APPLY?

Apply through the Business Grants Portal (BGP)  
[www.businessgrants.gov.sg/](http://www.businessgrants.gov.sg/)

## HOW CAN I ENQUIRE OR APPEAL?

Submit an inquiry through [www.go.gov.sg/helloesg](http://www.go.gov.sg/helloesg)

[More Information click here](#)



**NEW SCHEME  
FOR 2023**

# Enterprise Innovation Scheme

Enhanced deductions for R&D, innovation and capability development activities, with the option to partially convert to a cash payout in lieu of tax deductions.

## WHO CAN APPLY?

Open to all businesses with various eligibility criteria and qualifying costs for the different deductions.

## HOW CAN I ENQUIRE OR APPEAL?

You can contact IRAS at **6351 3390** between 8 am and 5 pm from Monday to Friday for assistance.

## HOW CAN I APPLY?

Tax deduction claims will be done on an annual basis, together with the income tax filing cycle.

[Click here for more information](#)



# Corporate Volunteer Scheme (CVS)

Under the CVS, businesses enjoy 250% tax deduction on wages and qualifying expenses when their staff volunteer or provide services to IPCs, including through secondments. Qualifying expenditure is subject to a cap of \$250,000 per business per YA, and a cap of \$100,000 per IPC per CY. The CVS (previously known as Business and IPC Partnership Scheme) was extended by three years to end-2026.

## WHO CAN APPLY?

- All businesses carrying out a trade or business in Singapore are eligible for BIPS when they send their employees to volunteer and provide services at IPCs. These businesses can be companies, sole proprietorships, partnerships, registered business trusts, and bodies of persons (e.g. clubs and trade associations).
- Qualifying expenditure must meet the following requirements: **(a)** not reimbursed by the IPCs at any time, **(b)** incurred only because of the volunteer services, **(c)** not considered as personal, living, or family expenses, and **(d)** not capital expenditure.

## HOW CAN I APPLY?

Tax deduction claims will be done on an annual basis, together with the income tax filing cycle.

## HOW CAN I ENQUIRE OR APPEAL?

Contact NVPC via  
[contact@companyofgood.sg](mailto:contact@companyofgood.sg)

[Click here for more information](#)





# Corporate Income Tax

## Updates on the Base Erosion and Profit Shifting Initiative (BEPS 2.0)

- Implementation of the **Global Anti-Base Erosion (GloBE) rules under BEPS Pillar 2** and **Domestic Top-up Tax (DTT)** for large Multinational Enterprise (MNE) groups from businesses' financial year **starting on or after 1 Jan 2025**
- Will monitor international developments and adjust as needed if there are delays
- Update industry development schemes to ensure that Singapore remains competitive in attracting and retaining investments







## Contact Us



60 Albert Street  
#14 04 OG Albert Complex  
Singapore 189969



[clients@precursor.com.sg](mailto:clients@precursor.com.sg)



(65) 6336 5500



## DISCLAIMER

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**Information accurate as of February 2023**

Sources:

[https://www.mof.gov.sg/docs/librariesprovider3/budget2023/download/pdf/fy2023\\_budget\\_navigator.pdf](https://www.mof.gov.sg/docs/librariesprovider3/budget2023/download/pdf/fy2023_budget_navigator.pdf)

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