

Double Tax Deduction for Internationalisation (DTD_i)**国际化双倍税务减免计划****What is it?**

Under the DTD_i scheme, businesses are allowed a tax deduction of 200% on qualifying market expansion and investment development expenses¹, subject to approval from Enterprise Singapore (ESG) or Singapore Tourism Board (STB).

What is being enhanced?

To continue supporting internationalisation efforts of businesses amid changes in the business environment, the scope of the DTD_i scheme will be enhanced to cover the following specified expenses incurred to participate in approved² virtual trade fairs:

- a) Package fees charged by event organisers for virtual exhibition hall and booth access, collateral creation, business meeting/match sessions, pitches/product launches/speaking slots, webinar/conference, and post event analytics;
- b) Third-party costs for design and production of digital collaterals and promotion materials for virtual fairs; and
- c) Logistics costs incurred to send materials/samples overseas to potential clients met at virtual trade fairs³.

The list of qualifying expenses for overseas investment study trips will also be expanded to include logistics costs to transport materials/samples used during the investment trips.

The scope of qualifying activities that do not require prior approval from ESG or STB will be enhanced to cover the following additional activities, up to the current annual expense cap of \$150,000:

- a) Product/service certification (primarily to increase buyer's acceptance in overseas markets) approved by ESG;
- b) Overseas advertising and promotional campaign;
- c) Design of packaging for overseas markets;
- d) Advertising in approved local trade publication; and
- e) Participation in virtual trade fairs approved by ESG.

¹ Please refer to www.enterprisesg.gov.sg/financial-assistance/tax-incentives/tax-incentives/double-tax-deduction-for-internationalisation for the full list of qualifying activities and expenses available for DTD_i.

² The virtual trade fair needs to be an event approved by ESG.

³ The following conditions need to be met:

- (i) Both the business claiming tax deduction under the DTD_i scheme and the recipient of the materials/samples have attended the approved virtual trade fair; and
- (ii) Materials/samples are sent within six months from the end of the approved virtual fair.

When will it be implemented?

The above enhancements will take effect for qualifying expenses incurred on or after 17 February 2021.

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