



Singapore Budget 2026 Seminar

Overview of Singapore Budget 2026 for Association of
Singapore Marine & Offshore Energy Industries (ASMI)

KPMG in Singapore

20 March 2026





SINGAPORE BUDGET 2026 SEMINAR

Today's speakers



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Programme Outline

-
- ▶ **Steering Singapore Toward an AI Enabled Horizon**

 - ▶ **Future Proofing Talent for Tomorrow's Tides**

 - ▶ **Navigating Tax Changes**

 - ▶ **Setting Sail with Singapore's Incentives and Grants**

 - ▶ **GST InvoiceNow – Where Tax meets Tech**

 - ▶ **From Risk to Readiness: AI-driven Trade Resilience**

 - ▶ **Q&A**

- **Chiu Wu Hong**
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 - **Timothy Thia**
Manager, Corporate Tax Consulting
 - **Janessa Png**
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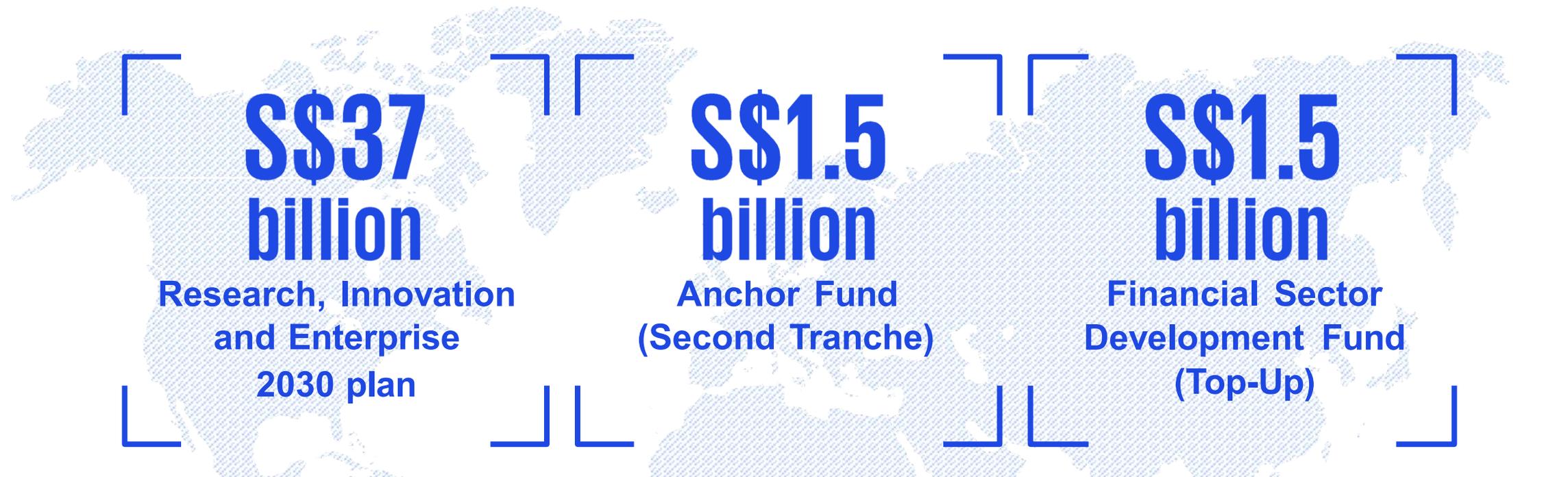
Steering Singapore Toward an AI Enabled Horizon



Chiu Wu Hong
Partner, Tax



Resilience as a sharper path to growth



Accelerate innovation

Approach:

Sustained and strategic commitment to research and innovation — directed at areas where Singapore has clear strengths

Strengthen enterprise ecosystem

Approach:

Catalyse growth capital in Singapore to achieve a strong pipeline of high-quality companies in Singapore

Intelligent Age: Scaling smart solutions with clarity

- ▶ Singapore will harness AI to overcome structural constraints
- ▶ Accelerate AI adoption by enterprises & train AI-ready workforce

Innovation & AI



- ▶ National AI strategy & governance

Approach:

AI-led transformation in key sectors

Enterprise ecosystem



- ▶ Champions of AI programme
- ▶ Enhancement of PSG
- ▶ Expansion of EIS for qualifying AI expenditure (with cap)

Approach:

Enterprise AI readiness to work smarter and compete at the international level



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Future Proofing Talent for Tomorrow's Tides



Timothy Thia
Manager, Corporate Tax Consulting



Intelligent Age: Scaling smart solutions with clarity

- ▶ Singapore will harness AI as a strategic advantage
- ▶ Accelerate AI adoption by enterprises & train AI-ready workforce

Talent & Workforce



- ▶ Clearer AI learning pathways on SkillsFuture website
- ▶ Expanded SkillsFuture Level-up Programme
- ▶ Free premium AI tools for 6 months

Approach:

Workforce transformation for AI-enabled economy

Budget 2026 Updates for Talent

Changes to Employment of Locals Matters

- ▶ Extension and enhancement to Progressive Wage Credit Scheme from 2026 to 2028
- ▶ CPF contribution rates raised for workers aged above 55 to 65 from 1 January 2027

KPMG's insight:

- ▶ Uplifting of the wages and salaries for locals
- ▶ Providing financial support to employers

Budget 2026 Updates for Talent

Changes to Employment of Foreigners Matters

- ▶ Increase in minimum qualifying salary for EP and S Pass holders from 2027
- ▶ Increase in Foreign Worker Levy (FWL) from 2028
- ▶ Increase in Local Qualifying Salary from \$1,600 to \$1,800

KPMG's insight:

- ▶ Continuation of the upward trend of minimum salary
- ▶ Increase cost of hiring work permit holders
- ▶ Businesses need to think of automation as this trend is likely to continue



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Navigating Tax Changes



Janessa Png
Manager, Corporate Tax Consulting



Corporate Income Tax (CIT) Rebate



CIT Rebate

- CIT Rebate of 40% of tax payable granted for YA 2026
- S\$1,500 in cash payout (CIT Rebate Cash Grant) for active companies with at least one local employee in 2025
- Maximum total benefit is S\$30,000

YA 2026	Amount (S\$)
Chargeable Income (before partial tax exemption)	543,676
Less: Partial tax exemption	(102,500)
Chargeable income (after partial tax exemption)	441,176
Tax Payable @ 17%	75,000
Less: CIT rebate (40% of tax payable, capped at S\$30,000 less S\$1,500 CIT rebate cash grant)	(28,500)
Net Tax Payable	46,500

Updates on Existing Schemes

Donations to Institutions of a Public Character (IPCs)



250% tax deduction for qualifying donations to IPCs

- Extend by another 3 years till 31 December 2029

Investment Allowance for Emissions Reduction (IA-ER)



Cessation of scheme

- IA-ER will lapse after 31 December 2026

Preferential Additional Registration Fee (PARF) rebates



Reduced PARF rebates

- Rebates for scrapping a car before its 10-year COE expires will be reduced by 45 percentage points and capped at S\$30,000



PARF rebate slashed for cars, taxis



- Preferential Additional Registration Fee (PARF) rebate reduced by **45 percentage points**
- PARF rebate cap lowered from S\$60,000 to **S\$30,000**
- Applies to all cars registered with COEs from the next bidding exercise

Age of vehicle at deregistration	Current PARF rebate (% of ARF paid)	Revised PARF rebate (% of ARF paid)
Not more than 5 years	75%	30%
Above 5 but not more than 6 years	70%	25%
Above 6 but not more than 7 years	65%	20%
Above 7 but not more than 8 years	60%	15%
Above 8 but not more than 9 years	55%	10%
Above 9 but not more than 10 years	50%	5%
More than 10 years	-	-

Source: Ministry of Finance, Feb 12, 2026
CNA GRAPHICS



Maritime Sector Incentive



Updated Eligibility Requirements

- Changes to minimum commitments for certain MSI sub-schemes from 1 January 2026 onwards

FAQ on Eligibility Requirements under the Maritime Sector Incentive (MSI) (Revised on 1 Jan 2026)

1. What are the total business spending and headcount requirements under the MSI?

The applicant is required to meet the following minimum commitment:

Award	Total business spending (at least)	Professional headcount (at least)
<i>MSI-Approved International Shipping Enterprise Award</i>	S\$30mil over 5 years	Not applicable
<i>MSI-Maritime Leasing (Ship) Award</i>	S\$28mil over 5 years	3
<i>MSI-Maritime Leasing (Container) Award</i>		
- 5%	S\$12mil over 5 years	6
- 10%	S\$8mil over 5 years	3
<i>MSI-Shipping-related Support Services Award</i>	Incremental S\$6mil over 5 years	Incremental 5



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Setting Sail with Singapore's Incentives and Grants



Ooi Chi Yih
R&D and Incentives Advisory



Support for businesses expanding overseas

DTDi Enhancements

- Expenditure cap for claims which do not require pre-approval increased from S\$150k to S\$400k

Scope of claims which do not require pre-approval expanded to include:

- All eligible expenses on overseas market development and study trips
- Following qualifying activities:
 - Investment feasibility/due diligence studies
 - Master licensing and franchising
 - Market surveys/feasibility studies
 - Overseas business development
 - Production of corporate brochures for overseas distribution

MRA Enhancements

- Extension of grant and enhanced support level

Market Readiness Assistance Grant

- Helps companies deepen and diversify overseas presence
- Enhanced cap of S\$100k extended to 31 March 2029
- Enhanced support of up to 70%



Support for AI Investment



Enhancement to Enterprise Innovation Scheme

Recap of existing key features:

- 400% tax deduction / allowance for 5 qualifying activities
 - R&D
 - Innovation projects
 - IP registration
 - IP acquisition & licensing
 - Training

New in Budget 2026:

- Addition of new category of support (AI)

Double Tax Deduction for Internationalisation (DTDi)

Double Tax Deduction for Internationalisation (DTDi)

Overview



- To support companies planning to expand overseas by enabling them to leverage the DTDi scheme, which provides a **200% tax deduction** on eligible expenses incurred for international market expansion and investment development activities.
- The DTDi Scheme applies to qualifying expenditure incurred up to **31 Dec 2030**.
- Automatic DTDi expenditure cap has been increased from **\$150,000 -> \$400,000**

Eligibility



- Business entity in Singapore with a primary purpose of promoting the trade of goods or provision of services.
- Project must meet the following key objectives:
 - ✓ Promotes the company's **new products** and services to **new target market(s)**
 - ✓ Identifies **new customers** in **target market(s)** for the company's existing products and services
 - ✓ Promotes the company's **new products** and services to **existing customers**
 - ✓ Promotes the company's existing products and services to existing markets so as to **increase market share**
- Applications must be submitted on the DTDi portal prior to starting the project.

Support Categories



1. Market Preparation



2. Market Exploration



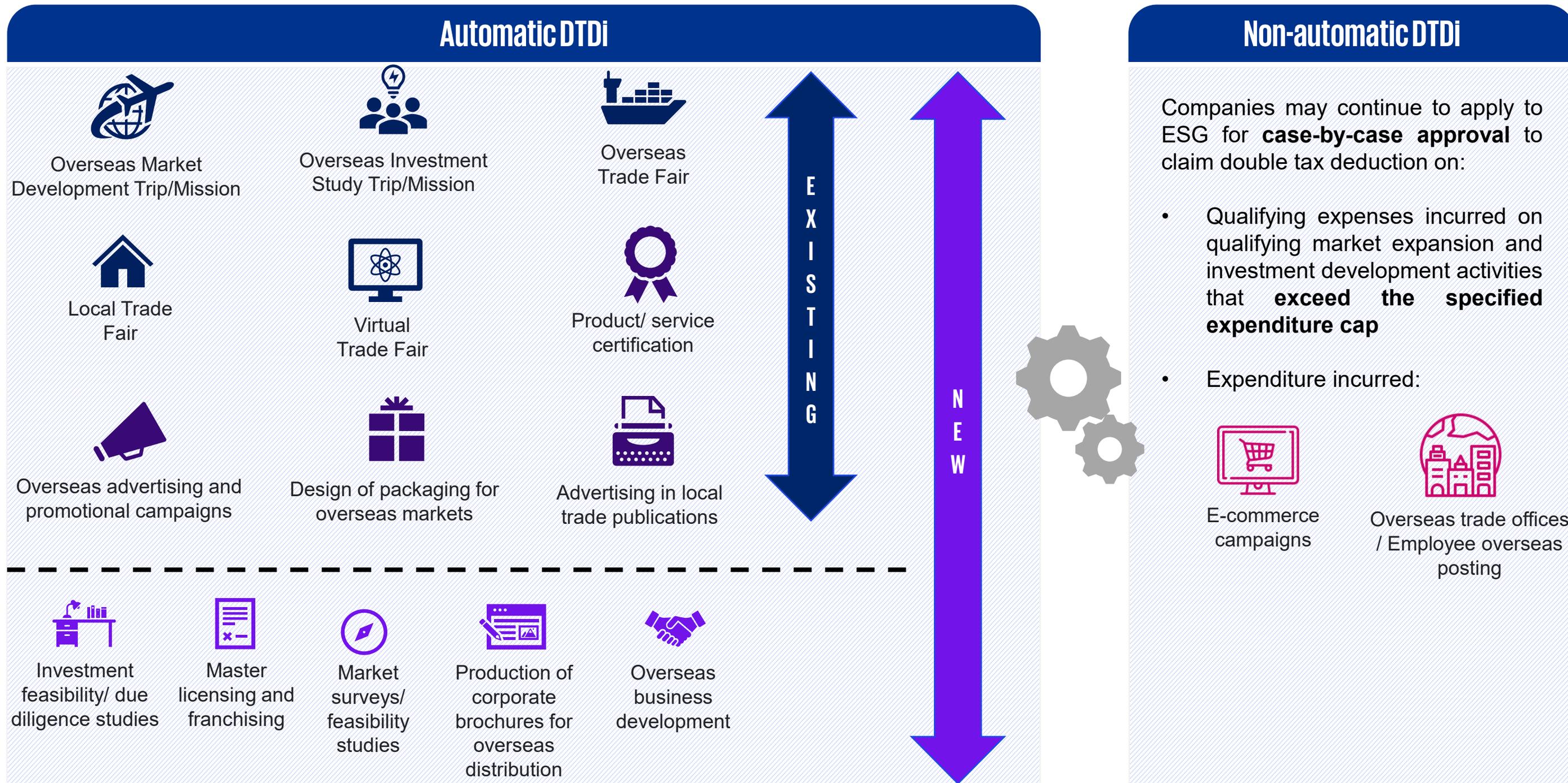
3. Market Promotion



4. Market Presence



Double Tax Deduction for Internationalisation (DTDi)



Market Readiness Assistance (MRA) Grant

MRA Grant - Overview

MRA Grant

Help companies to expand into new markets overseas by defraying the costs of overseas market promotion, business development and set-up

Overseas Market Promotion (capped at S\$20,000)

Overseas Marketing & PR

- Conduct a marketing / PR campaign to promote products & services

Overseas Physical & Virtual Trade Fair

- Participate in overseas trade fairs

Overseas Business Development (capped at S\$50,000)

Identification of Potential Overseas Partners

- Identify franchise distributors, JV partners, logistics partners, etc.

In-market Business Development

- Engage in business development services

Overseas Marketing Presence

- Deploy an employee overseas to conduct business development

Overseas Market Set-up (capped at S\$30,000)

Overseas Market Set-up

- Apply for overseas incorporation, IP Protection, trade credit insurance

Support Level

- **[Budget 2026]** From 1 April 2026, support for local SMEs will rise from the current 50% to up to 70% of eligible costs.
- Support capped at S\$100,000 per company per new market
- **[Budget 2026 – under EDGE]** In 2H 2026, the grant will also support companies to deepen activities in existing overseas markets.

Eligibility

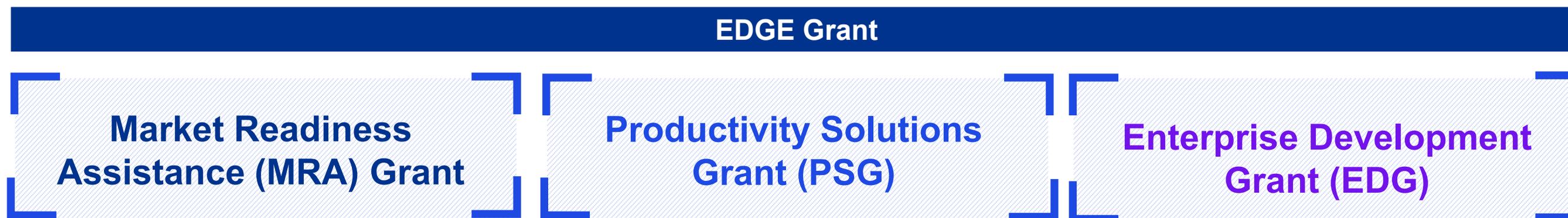
- Business entity is registered and operating in Singapore
- At least 30% local equity held directly or indirectly by Singaporean(s) and / or Singapore PR(s), determined by ultimate ownership
- **[Budget 2026 – under EDGE]** In 2H 2026, eligibility will be extended to local non-SMEs, with funding support of up to 50% of eligible costs. 'New Market' condition to be relaxed.

Note: MRA is available until 31 March 2029. Each project shall not exceed 12 months. Project must not have started when applying for MRA and applications should be made at most 6 months prior to starting of project. Company must identify a suitable vendor for the intended activities (except for OMP).

Budget 2026 updates – Launch of EDGE Grant

From 2H 2026, Enterprise Singapore will introduce **EDGE**, a new grant that consolidates three existing business grants into a single scheme. This simplifies the application process by allowing businesses to apply based on their intended activities, such as digitalisation, overseas expansion, or improving enterprise efficiency, without needing to determine which specific grant applies.

More details will be provided when EDGE is launched later this year.



Eligibility

- Business entity registered in Singapore, including non-SMEs

Grant Cap

- Up to **S\$100,000 per year** for eligible activities
- Additional support may be considered by EnterpriseSG on a case by case basis.

Enterprise Innovation Scheme (EIS)

Enterprise Innovation Scheme



1. R&D conducted in Singapore



2. Registration of IP



3. Acquisition and licensing of IP rights



4. Training via SSG-approved courses aligned to the Skills Framework



5. Innovation with our Polytechnics and ITE



6. Artificial Intelligence (AI) expenditures

Annual tax deductions / allowances of 400%, each capped at S\$400,000 of qualifying expenditure, for:

- 1) Local research and development activities
- 2) Registration of Intellectual Property (IP)
- 3) Acquisition and licensing of qualifying IP Rights¹
- 4) Qualifying courses that are aligned with the Skills Framework

Annual tax deductions / allowances of 400%, each capped at S\$50,000 of qualifying expenditure, for:

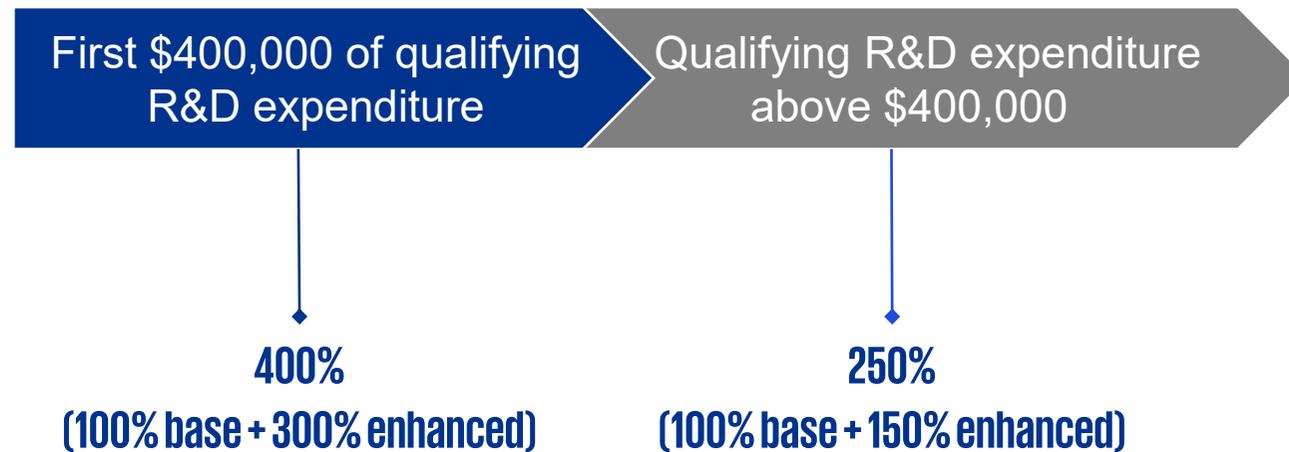
- 5) Innovation projects carried out with polytechnics, ITE or other qualified partners²
- 6) **[Budget 2026]** Artificial Intelligence (AI) expenditures (from YA 2027).

Option to convert 20% of total qualifying expenditure per YA across qualifying activities in lieu of tax deductions / allowances, into cash payout of up to S\$20,000 per YA (for categories 1 to 5).

¹The enhanced writing down allowances and tax deductions is only applicable to businesses with annual revenue of less than S\$500 million revenue in the basis period of the YA of claim

²**[Budget 2026]** List of qualified partners will be expanded to include the Sectoral AI Centre of Excellence for Manufacturing for YA 2027 and YA 2028. More details to be released by mid-2026.

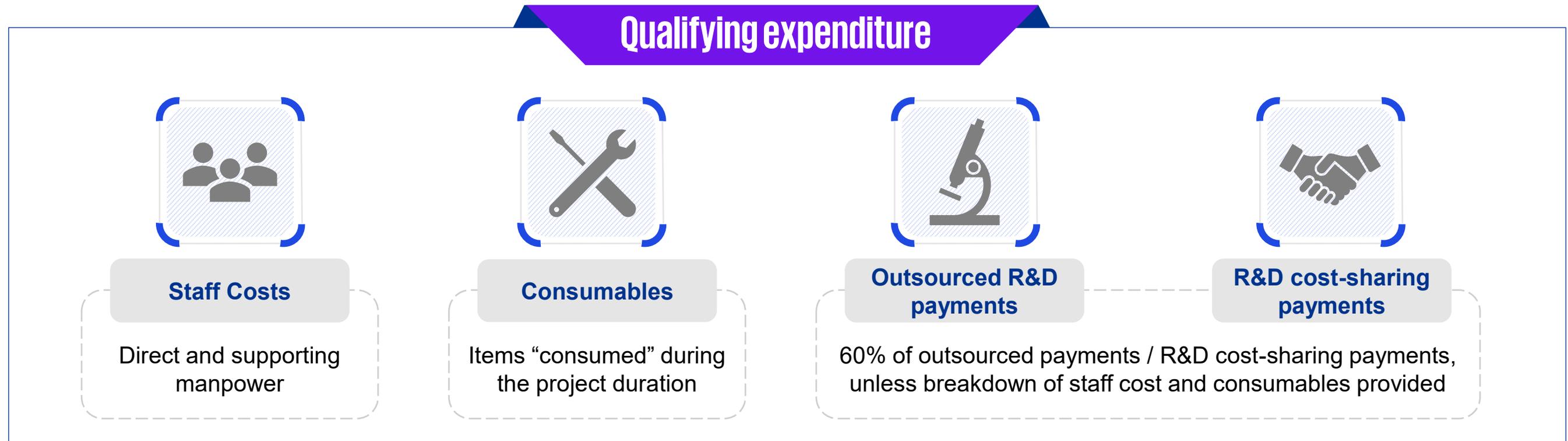
R&D Tax incentive (400% & 250%)



Sample calculation of enhanced deductions and benefits:

Qualifying expenditure	\$500,000	
Additional 300% Tax Deduction for first \$400,000 of qualifying expenditure	\$1,200,000	(\$400,000 x 300%)
Additional 150% Tax Deduction for first \$400,000 of qualifying expenditure	\$150,000	[(\$500,000 - \$400,000) x 150%]
Incremental Tax Benefits @ 17%	\$229,500	[(\$1,200,000 + \$150,000) x 17%]

Eligible Expenditure Categories



Key considerations

- Qualifying expenditure must be incurred in relation to work undertaken in Singapore
- Amount of qualifying expenditure is net of government grants and subsidies received

R&D Definitions

Legislative Definition

1.



Any **systematic, investigative and experimental study** carried out in the field of science or technology

2.



That involves **novelty or technical risk**

3.



With the objective of:
 a) **acquiring new knowledge**
 b) **using the results of the study for the production or improvement** of materials, devices, products, produce, or processes

Exclusions

- × Quality control or routine testing
- × Research in the social sciences or the humanities
- × Routine data collection
- × Efficiency surveys or management studies
- × Market research or sales promotions
- × Routine modifications or changes
- × Cosmetic modifications or stylistic changes

Beneficiary Definition

Eligibility

Companies who incur the R&D expenditures and are the beneficiaries of the R&D activities may claim R&D tax deductions. **A company who benefits from R&D activities generally:**

- a) bears the financial burden of carrying out the R&D activities; and
- b) effectively owns and is able to commercially exploit the know-how, intellectual property or other results of the R&D activities.

R&D Tax Incentive under EIS

Our Value Proposition for the R&D Tax Incentive claim.

*KPMG's dedicated R&D tax team will deliver **end-to-end support** across every stage of the R&D tax claim lifecycle each year.*



Support for Global Traders

- Global Trader Programme (GTP) & Trade Development Grant (TDG)

Overview of support

The Global Traders Programme and Trade Development Grant (TDG) will be available to support global traders in their expansion of activities in Singapore.

Global Traders Programme

To support international trade in Singapore and encourage global trading companies to establish regional or global headquarters in Singapore.

+ / -

Add-on

Trade Development Grant

Support growth of new company capabilities, new trade flows and new collaborations in SG.

Global Trader Programme (GTP)

	Objective	<ul style="list-style-type: none">To facilitate and develop international trade activities in Singapore and to create a vibrant and conducive environment for global trading companies to establish their regional and global trading headquarters in Singapore.The GTP is valid until <u>31 December 2031</u>.
	Benefits	<ul style="list-style-type: none">An approved company under the GTP can enjoy a <u>concessionary tax rate of 5%, 10% or 15%</u> on income derived from qualifying activities.Incentive and support rates and tiers are awarded at the discretion of Enterprise Singapore on a case-by-case basis
	Qualifying criteria	<ul style="list-style-type: none">The company has to be a well-established (medium or large-sized) company, which conducts international trading, procurement, distribution and the transportation of qualifying commodities and products under the schemeThe company has successfully established a global network and maintained a good track recordThe company intends to establish a regional base in Singapore for its principal offshore trading, business and support functions. These include general and administrative management control, business and investment planning and coordination, financial control and treasury, market development and planning, and logistics managementThe company is required to fulfil certain criteria, including:<ul style="list-style-type: none">Minimum Annual Turnover of <u>US\$100 million</u>Minimum Annual Local Business Spending of <u>S\$3 – S\$4 million</u>At least <u>3-4 local trading professionals</u> employed

Global Trader Programme (GTP)

Qualifying Income

Qualifying income under the GTP incentive include:

- Income from physical trading*
- Brokering of physical trades*
- Derivative trading income
- Income from structured commodity financing activities
- Treasury activities and advisory services related to mergers and acquisitions

**Physical trades that qualify under the GTP include re-export trade, trans-shipment trade, offshore trade*

Qualifying Products

Products that can be covered under the GTP incentive are:

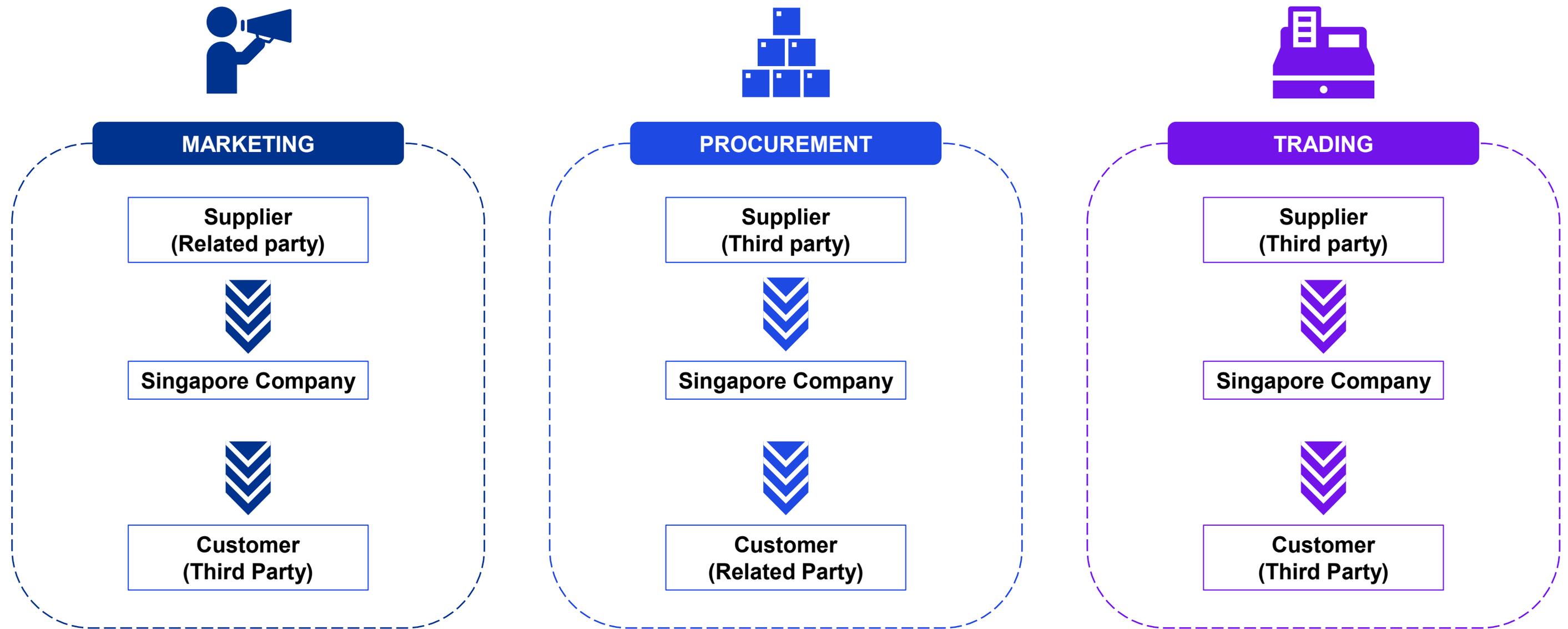
- Electronic and electrical products
- Consumer products
- Industrial products
- Energy commodities and products
- Building and industrial materials
- Agricultural commodities and bulk edible products
- Metals and Minerals
- Machinery components
- Carbon credits
- [Budget 2026] Environmental Attribute Certificates

Points to Note

- At a group level, the group of companies to which the GTP applicant belongs should derive 50% or more of its turnover from trading activities. The group of companies to which the GTP applicant belongs should also derive 20% or less of its turnover from manufacturing activities.
- Minimum annual trading turnover of each individual commodity type has to be at least SGD\$5M.

Global Trader Programme (GTP)

Applicable trading models



Trade Development Grant

TDG supports Singapore's Trade 2030 strategy to strengthen Singapore as a global trade hub.

Pre-qualifying criteria

01



Incorporated in Singapore

02



Has substantial operations in Singapore such as employment, local expenditures, and strategic functions

03



Engaged in international physical trading on a principal bases

04



Conducted continuous trading activities globally for the past 5 years or more

Qualifying Expenditures

Companies will be supported in the following qualifying categories:

Build new capabilities



Support the setup of new trading, non-trading and strategic functions in Singapore

Grow Trade Flows



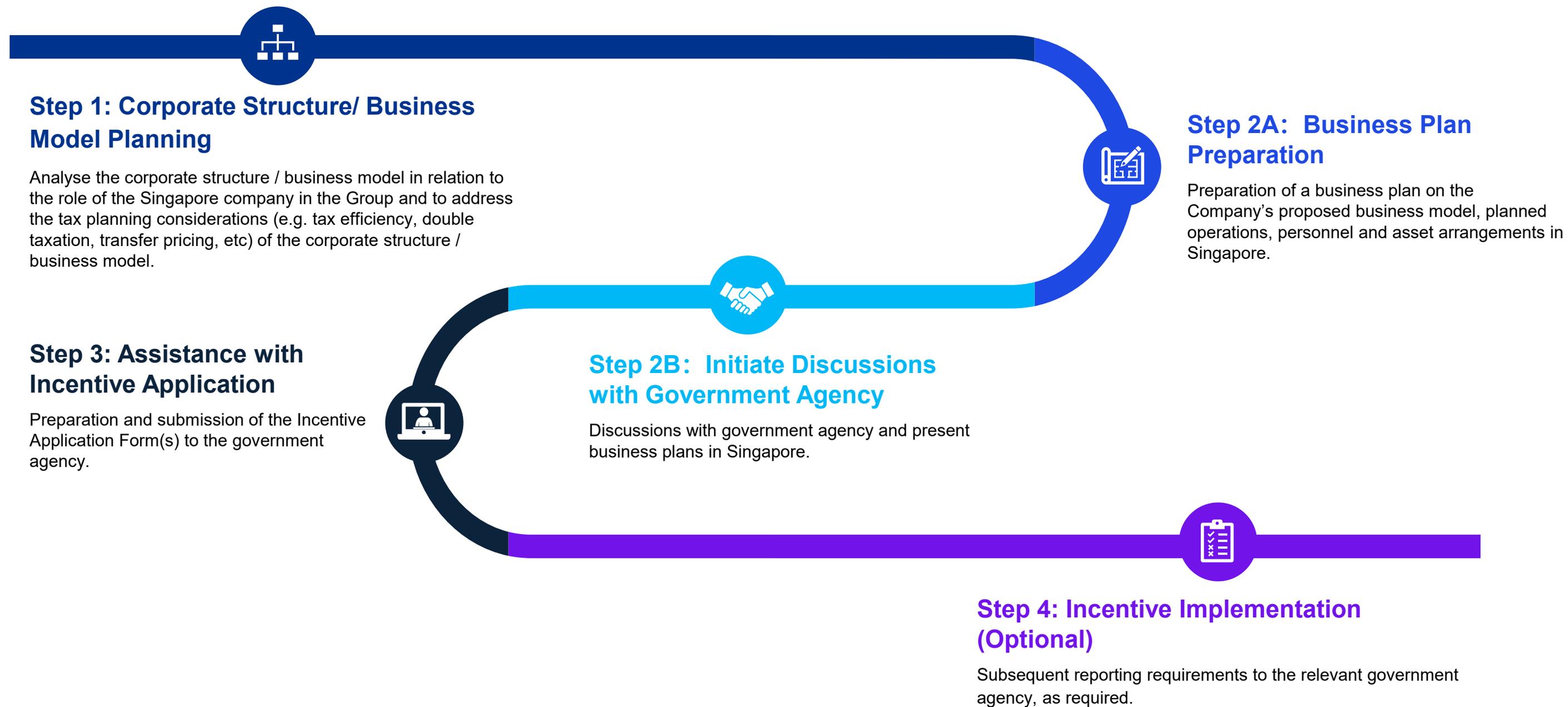
Encourage trade flows in sustainable or new sectors

Foster local collaborations



Deepen collaborations with SG-based partners that result in strong commercial outcomes

Incentive Application Roadmap





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GST InvoiceNow – Where Tax meets Tech



Lim Wee Theng
Indirect Tax



Overview

- E-Invoicing – Digital transformation internationally
- Rising trend of Governments worldwide using or intending to use e-Invoicing for tax administration
- Purpose:
 - Enhance tax reporting
 - Enhance tax collection
 - Enhance tax Compliance

E.g. e-Invoicing implementation in Malaysia effective 1 Aug 2024

Mandatory Implementation Dates

- By 1 Apr 2031, all GST-registered businesses will be required to use InvoiceNow solutions to send invoice data to Inland Revenue Authority of Singapore (IRAS) for tax administration
- Phased approach:

Implementation Date	Who it applies to
1 Nov 2025	Companies that register for GST voluntarily within 6 months of incorporation date
1 Apr 2026	All new voluntary GST registrants regardless of incorporation date or business structure
1 Apr 2028	<ul style="list-style-type: none"> • All new compulsory GST registrants • Existing GST-registered businesses with total annual supplies ≤ S\$200,000
1 Apr 2029	Existing GST-registered businesses with total annual supplies ≤ S\$1,000,000
1 Apr 2030	Existing GST-registered businesses with total annual supplies ≤ S\$4,000,000
1 Apr 2031	Existing GST-registered businesses with total annual supplies > S\$4,000,000

**Total annual supplies refer to the total value of standard-rated, zero-rated and exempt supplies made in all the prescribed accounting periods ending in calendar year 2025*

Mandatory Implementation Dates (Cont'd)

- By mid-2026: IRAS will inform GST-registered businesses that were registered before 2026 of their respective mandatory implementation date
- Existing GST-registered businesses may use the Excel calculator to determine their applicable implementation date: [GST InvoiceNow Implementation Date Calculator](#)

Exclusion

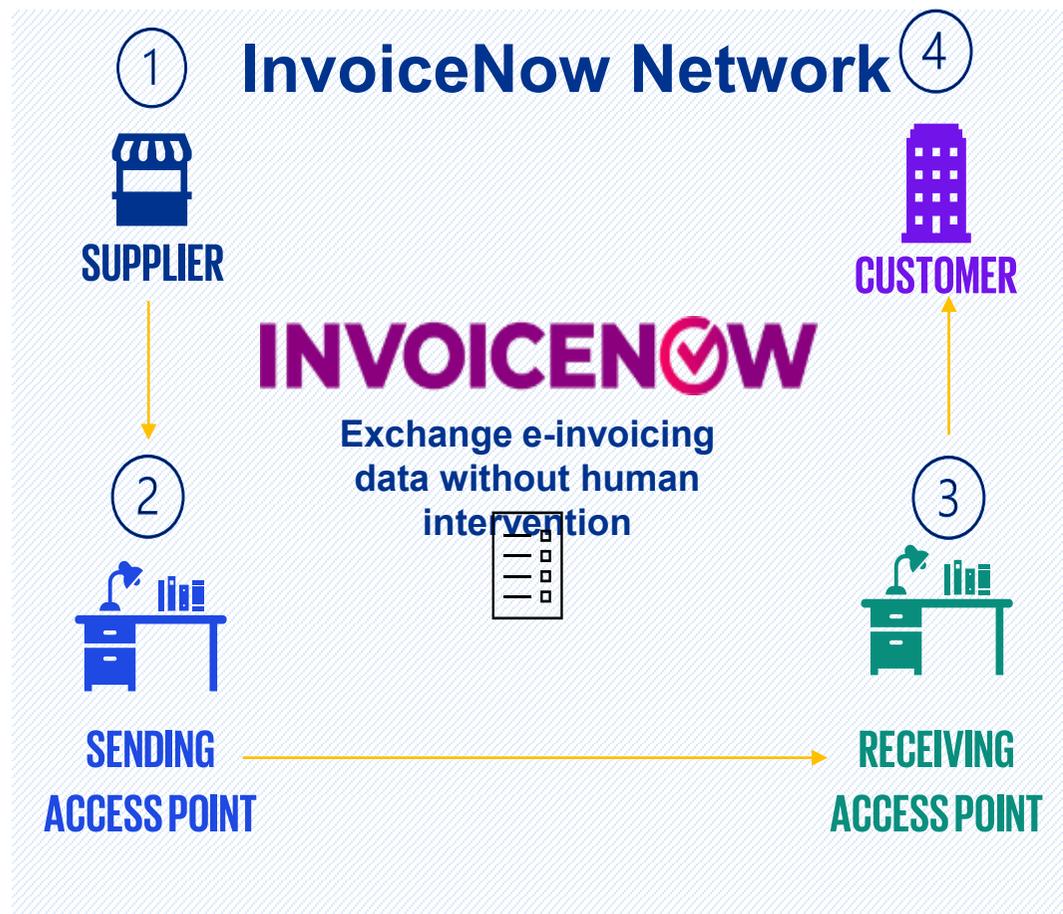
Businesses excluded from GST InvoiceNow Requirement

The following groups of businesses will be exempted from the GST InvoiceNow Requirement (“Excluded Businesses”):

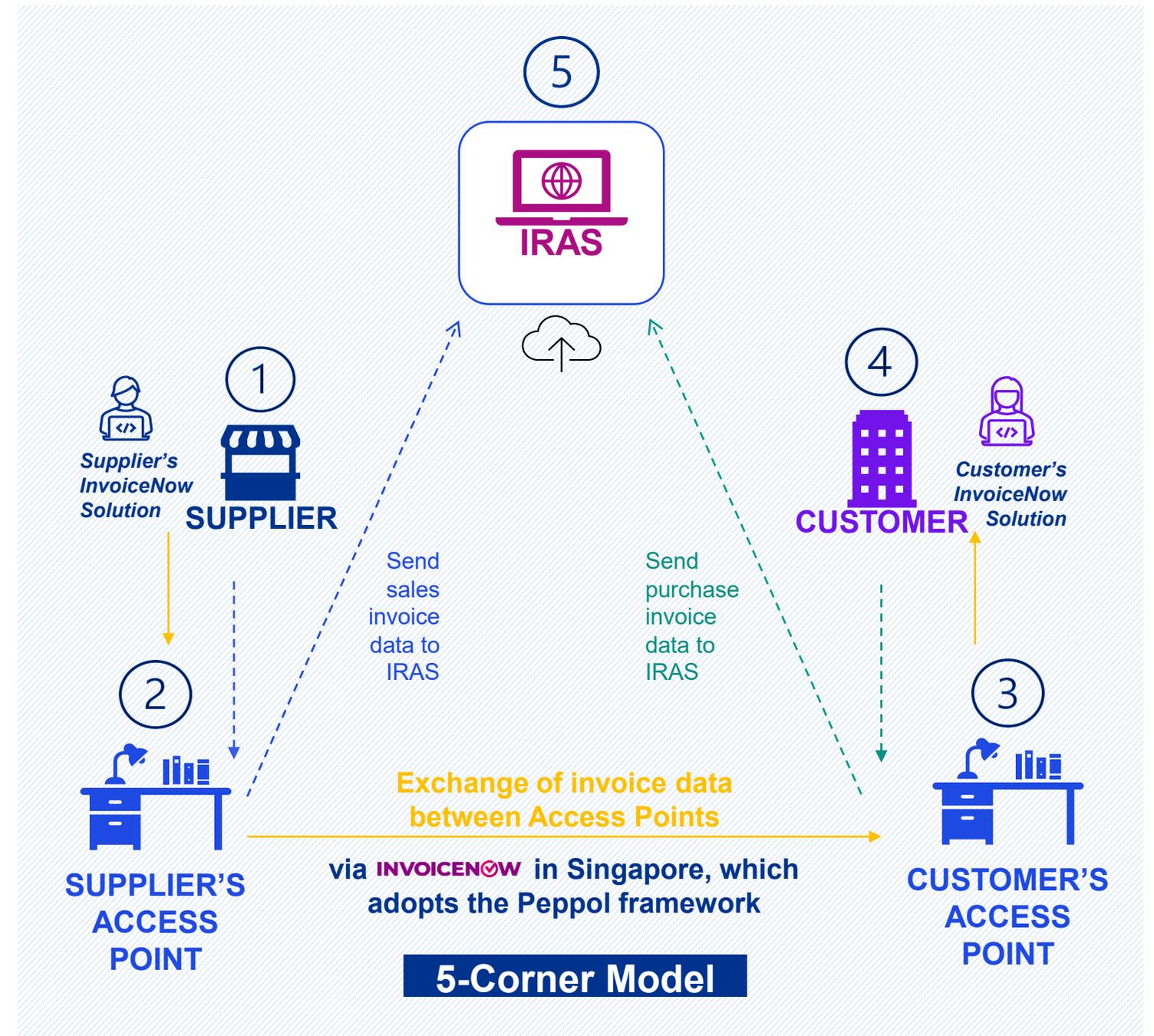
1. Overseas entities (including Overseas Vendors that are liable to register for GST under the Overseas Vendor Registration (“OVR”) Pay-only regime and OVR full regime)
2. Businesses that are liable to register for GST wholly due to the Reverse Charge regime

InvoiceNow Process Flow

- ❑ Streamlined transmission of customer GST invoices from supplier to customer via Peppol Network
- ❑ Structured data format across varied finance systems
- ❑ Electronic storage; reduced data retention cost
- ❑ Improved Cash flow management
- ❑ Global customer/supplier network on Peppol



GST InvoiceNow for Tax Administration



GST InvoiceNow – Types of submission to the IRAS

	Type of submission	Description	Peppol/ Solution- extracted invoice	Submission method
Within InvoiceNow Network	Type 1A Submission (Supplier)	Supply transaction made by the supplier within the InvoiceNow network	Peppol invoice	Peppol submission method
	Type 1B Submission (Customer)	Corresponding purchase transaction received by the customer within the InvoiceNow network from the supply transaction under Type 1A Submission above	Solution-extracted invoice	Solution-extracted submission method
Outside InvoiceNow Network	Type 2 Submission (Supplier)	Supply transaction made outside the InvoiceNow network	Solution-extracted invoice	Solution-extracted submission method
	Type 3 Submission (Customer)	Purchase transaction made outside the InvoiceNow network	Solution-extracted invoice	Solution-extracted submission method

Fundings and supports

For GST-registered businesses transitioning to InvoiceNow, the Government, through IMDA and IRAS, will provide additional support to keep onboarding costs low and manageable.

For SMEs:

- Free-of-charge InvoiceNow-Ready Solutions are available until Mar 2031.
- A new grant of up to \$1,000 will be introduced for SMEs to defray any operational costs of adopting InvoiceNow-Ready Solutions.
- SMEs can also tap on the existing Productivity Solutions Grant to defray up to 50% of the eligible software subscription costs.

For larger businesses:

- The progressive implementation approach provides these businesses more time to sync the necessary updates with their software refresh cycles.
- A new grant of up to \$5,000 will be provided for early adopters.

Scope of GST InvoiceNow and Transmission Due Date



Scope of GST InvoiceNow Requirement

Transactions where invoice data¹ transmission to IRAS is mandatory:

- Standard-rated supplies (POS supplies data can be aggregated) e.g. local sales of goods and services, supplies under Gross Margin Scheme/ Discounted Sales Price Scheme
- Zero-rated supplies
- Exempt supplies for sales/ lease of residential properties and local sales of investment precious metal
- Standard-rated purchases on which input tax claims are made or will be made (Petty cash purchase data can be aggregated)
- Zero-rated purchases for export of goods and international services

Due date to transmit invoice data to IRAS

- Date in which the relevant² GST return is filed; or
- Filing due date of the relevant* GST return

¹invoice data includes documents that serve as bill for payment e.g. tax invoice, sales invoice, simplified tax invoice, serially numbered receipts, DN, CN

²relevant GST return refers to the GST return with an accounting period pertaining to the time of supply of the invoice issued / date shown on the supplier's tax invoice

Transactions that need not be transmitted to the IRAS

- **Out-of-scope supplies**
- **Standard-rated supplies where tax invoice are not required to be issued e.g. deemed supplies**
- **Zero-rated supplies of non-sale exports, exempt supplies of financial services and digital payment tokens that qualify for zero-rating**
- **Exempt supplies of financial services and digital payment tokens**
- **Reverse charge transactions**
- **Non-taxable purchases**
- **Reverse charge purchases**
- **Imports**

However, businesses have the option to transmit the abovementioned invoice data to the IRAS

Mandatory Data Elements (MDEs)

- MDEs must be present in invoice data sent to the IRAS
- In line with the existing GST content requirements of a tax invoice and other invoices under Regulations 11 and 13 of the GST (General) Regulations and facilitates the use of the data for tax administration purpose

Supplier Details		Customer Details	
• Supplier Endpoint ID	• Supplier Name	• Customer Endpoint ID	• Customer Address – Address Line 1
• Supplier Scheme ID	• Supplier Address – Address Line 1	• Customer Scheme ID	• Customer Address Postal Code
• Supplier ID*	• Supplier Address – Postal Code	• Customer ID*	• Customer Address – Country Code
• Supplier GSTN*	• Supplier Address – Country Code	• Customer Name	
• SupplierTaxScheme ID			

MDEs (cont'd)

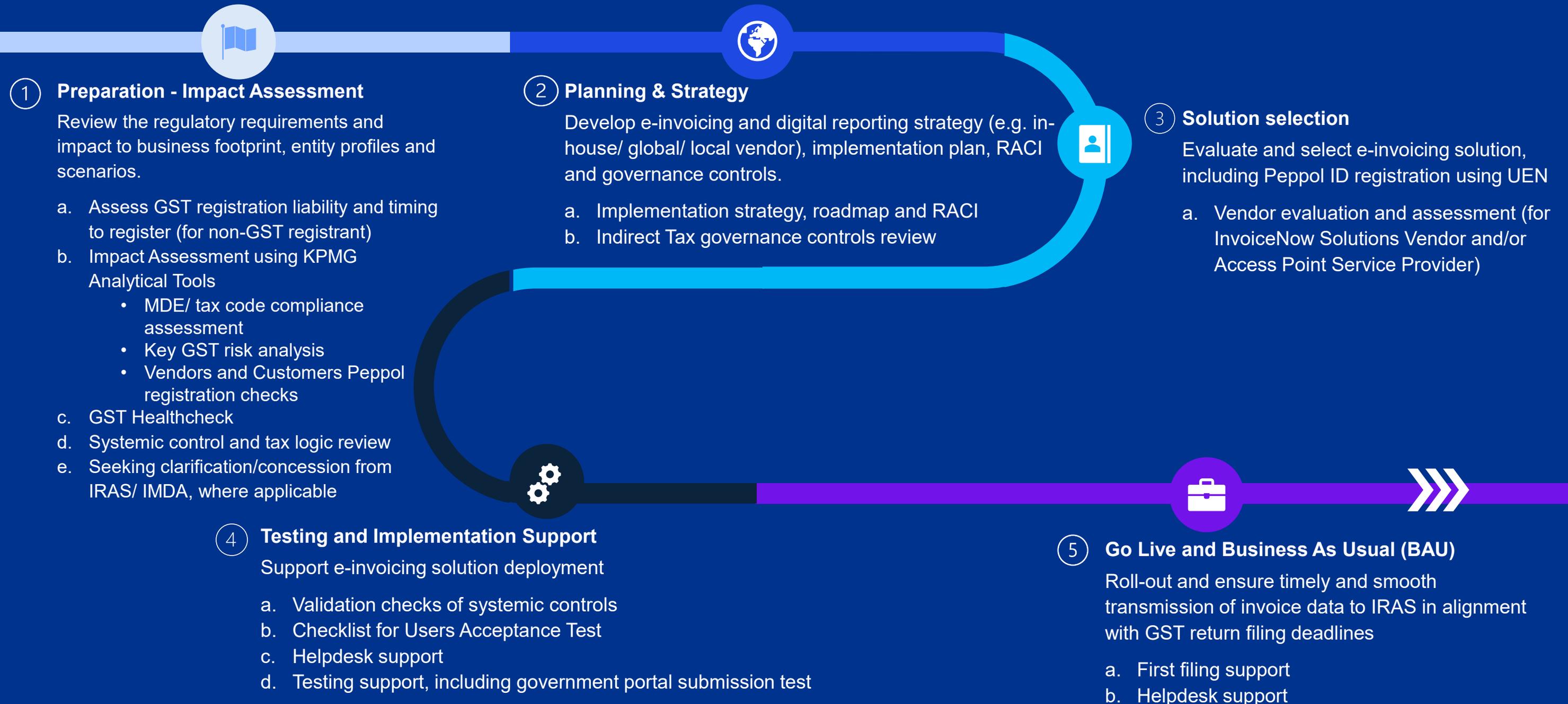
Invoice Details			
• Customisation ID	• Invoice Line Identifier	• Item GST Category Tax Scheme ID	• Subtotal GST category Tax Scheme ID
• Profile ID	• Item Name	• Invoice Line Net Amount	• Subtotal GST Category Rate
• Doc UUID	• Unit	• Sum of Invoice Line Net Amount	• Total GST Amount
• Invoice Number	• Quantity	• Subtotal GST Category Amount	• Total Invoice Amount without GST
• Invoice Issue Date	• Item Net Price	• Subtotal GST Category Taxable Amount	• Total Amount with GST
• Invoice Type Code (i.e. Invoice or CN)	• Item GST Category Code	• Subtotal GST Category Code	• Amount Due for payment
• Invoice Currency Code	• Item GST Category Rate		

MDEs (cont'd)

Credit Note Details			
• Customisation ID	• Credit Note Currency Code	• Credit Note Line Net Amount	• Invoice Note
• Profile ID	• Credit Note Line Identifier	• Sum of Credit Note Line Net Amount	
• Doc UUID	• Item Net Price	• Subtotal GST Category Code	
• Credit Note Number	• Item GST Category Code	• Subtotal GST Category Tax Scheme ID	
• Credit Note Date	• Item GST Category Rate	• Subtotal GST Category Rate	
• Invoice Type Code (i.e. invoice or CN)	• Item GST Category TaxScheme ID	• Total GST Amount	
• Item Name	• Subtotal GST Category Amount	• Total Credit Note Amount without GST	
• Unit	• Subtotal GST Category Taxable Amount	• Total Credit Note Amount with GST	
• Quantity			

Getting Ready for GST InvoiceNow and Beyond

Estimated Duration: 12 months from Preparation to Go Live



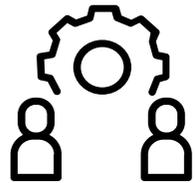
Early Adopters Benefits

E-invoicing requirement is new to most businesses. Starting early has its advantages. Be prepared before the mandatory implementation date.

Benefits

- Manage costs and timeline:

- Between software upgrades, integration, and training, the upfront investment can feel steep, especially for SMEs. Seize the opportunity when grants are still available. Start early by creating a budget
- Involvement of IT team early as they often have other priorities
- When e-invoicing becomes mandatory, everyone rushes at once. Surge drives up demand → vendor capacity stretched → increases costs. Adopt sooner can be cost efficient



- Sufficient time to engage all affected stakeholders and identify relevant systems:

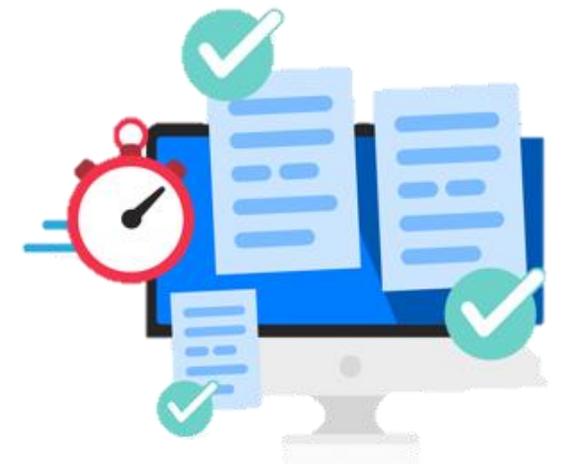
- Identify systems that may be affected e.g. multiple systems, invoices issued by system, manual invoices,
- Map out the processes and identify issues early e.g. system and manpower limitation, interface issues, gaps in invoice elements
- Identify internal stake holders other than Tax and IT team e.g. CS/ Finance team issues invoices
- Any gaps or issues – sufficient time to consult IRAS/ IMDA



Encourage clients to be early adopters (cont'd)

Benefits (cont'd)

- Streamlined processes:
 - InvoiceNow Ready Solutions (“IRS”) enable direct transmission of e-invoices in a structured data format across different financial systems.
 - Reduces manual work.
- Reduced errors and cost:
 - IRS reduces manual processes, e-invoice data recorded and maintained electronically. Built-in validation checks (e.g. vendor registration status checks)
 - Reduces storage and retrieval costs.
- Improve cashflow management:
 - Facilitates quicker invoice processing and payment
- Faster refund. Faster conclusion of GST audits
 - IRAS has the invoice data, able to verify information without contacting businesses (unless discrepancies are noted)



GST compliance perspective

Focus on accuracy of data transmitted to the IRAS

Ensure information supporting the GST return reporting figures are correct before transmitting to the IRAS, as certain analytic review may be performed

Improve GST compliance

- Perform review of key GST risk areas via Analytical Tool
- Review GST systemic controls
- Accuracy of mapping of transactions
- Correct classification of tax codes
- GST treatment of transactions and documentary compliance based on GST legislation and IRAS published guidelines
- Completeness of data extracted for transmission (e.g. parameter check, extraction from correct sources)
- Conduct pre-filing review for first GST return after GST InvoiceNow implementation



GST compliance perspective (cont'd)

Common GST errors

Supplies

1. Incorrect classification of tax code
2. Invalid tax invoice format (foreign currency denominated tax invoices)
3. Late reporting of supplies
4. Incorrect GST treatment of counter-supplies
5. Tax discrepancies: Computed output tax vs declared output tax

Purchases

1. Claiming of blocked input tax disallowed under Regulations 26 and 27 of the GST (General) Regulations
2. Invalid supplier's tax invoice format
3. Duplicate input tax claims
4. Early claiming of input tax
5. Tax discrepancies: Computed input tax vs declared input tax

GST Analytical Tool



Indirect Tax Risk Analytics Risks & Opportunities

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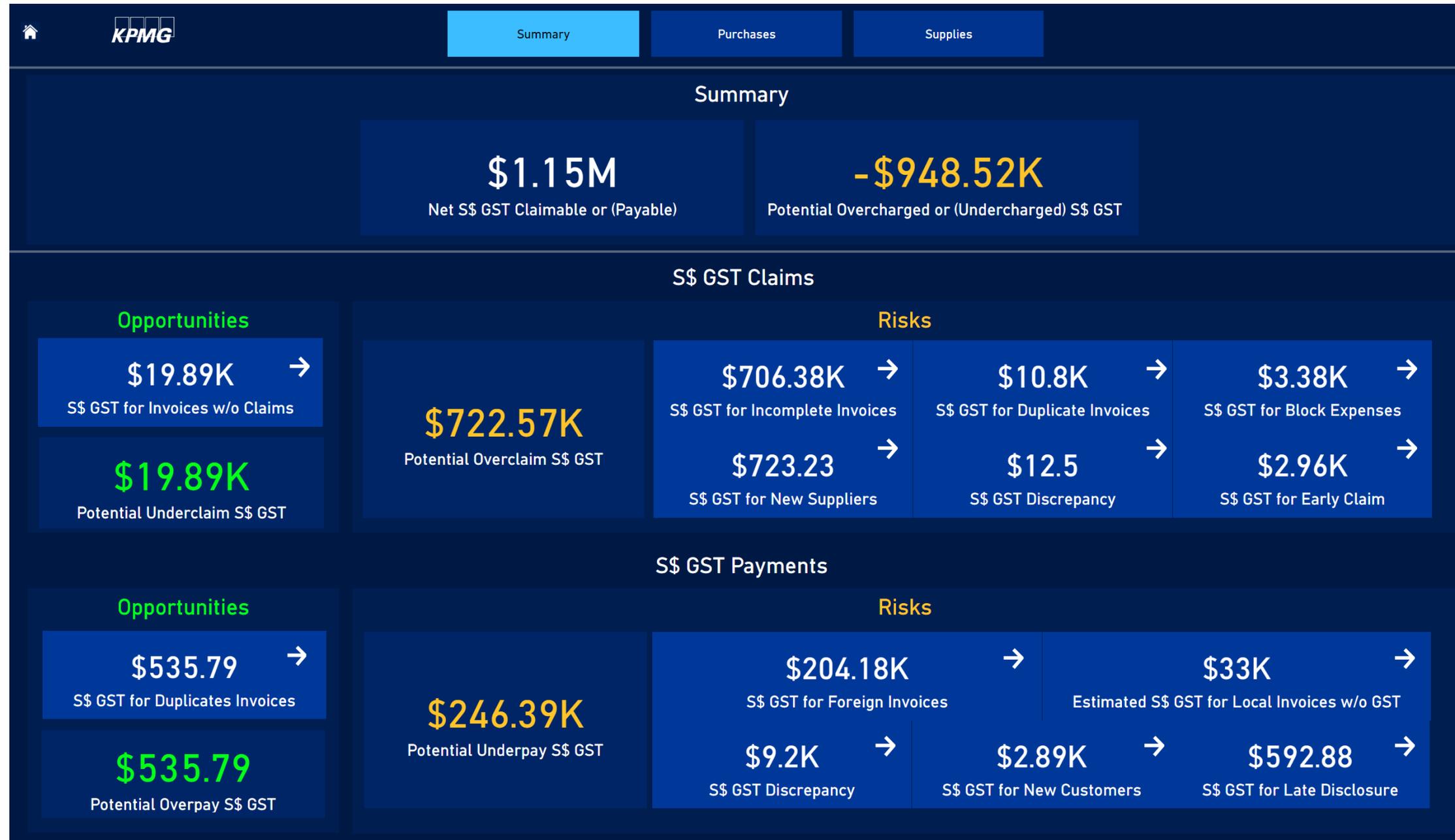
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GST Analytical Tool (cont'd)





SINGAPORE BUDGET 2026 SEMINAR

From Risk to Readiness: AI-driven Trade Resilience



Elsie Anos Tongson
Manager, Trade & Customs



Agenda

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Latest Export Control
Updates in APAC

02

US Tariff Updates

03

Compliance Cases

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Best Practices

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Singapore Business
Adaptation Grant (BAG)

06

Q&A

Latest Export Control Updates for APAC

	Dual Use	Military Goods	Catch-All	Internal Compliance Program (ICP)	Note
China	✓				<p>Catalogue of Dual-Use Items and Technologies Subject to Import and Export Licence Administration (2026) Effective: 1 January 2026</p> <p>Banned exports of dual use items to 20 Japanese entities Effective: 24 February 2026</p>
Philippines			✓	✓	<p>DTI Memorandum Circular No. 25-20 – Stricter export controls on re-export/reassignment of strategic goods (STMO authorization, end-use and record-keeping) Effective: 18 Dec 2025</p>
Singapore	✓	✓		✓	<p>Updates to the Strategic Goods Control Order 2025, elevating expectations for robust ICP and KYC processes Effective: 1 December 2025</p> <p>NEA to phase out selected Persistent Organic Pollutants (POPs) Effective: 16 December 2026</p>
Thailand	✓			✓	<p>Tightened controls on dual-use items, based on the EU list, with an e-classification system and licence application available by end-2025 Product self-classification: starts 1 October 2025 Licensing requirements: early 2026</p>
Vietnam	✓	✓	✓	✓	<p>Decree 259/2025/ND-CP establishes Vietnam’s national strategic trade control (STC) framework and regulates management and licensing Effective: 10 October 2025</p>

US Tariff Updates – Ending IEEPA Tariffs

Updates

- U.S. Supreme Court's ruling invalidates IEEPA tariffs on 20 February 2026
- IEEPA tariffs include **Reciprocal tariffs tied to trade deficits**
- Collection of these tariffs will be ceased starting 24 February 2026
- **Trump imposes new 10% global tariffs (under Section 122), effective 24 February 2026**
- **Latest news potential increase tariffs to 15%**

Implication to Businesses



What businesses should do now

- Consolidate previous imports subject to IEEPA tariffs
- Refunds process are still unclear
- Assess exposure/opportunity for potential duty
- Track transactions falling under the new tariffs under Section 122 / 301 authorities
- Review existing contracts, and supply-chain assumptions

Impact:

- **Potential tariff refunds (savings opportunities)** – US Customs is developing an electronic refund filing system, expected to be available in the **next 45 days**.
- Ongoing tariff uncertainty

Watchlist

Section 232 (Potential)



Pharmaceuticals



Polysilicon



Drones



Critical Minerals
**In Negotiations*



Aircrafts



Medical Equipment



Robotics

Section 301 (Potential)



China Maritime

**Section 301 maritime investigations are suspended until 10 November 2026*

Risk Mitigation & Business Adaptation

- Tariff measures may change due to court rulings or policy shifts
- Duties are assessed and paid based on rules in force at import
- Subsequent changes do not automatically result in refunds

When Duties Were Already Paid

- Past import declarations generally remain final
- Any refund or duty drawback is procedural, evidence-based, and uncertain
- Recovery (if any) depends on eligibility, documentation, and future guidance

Planning Ahead

- Review contract clauses, disclaimers and provisions
- Use conservative duty assumptions — treat recovery as upside, not baseline
- Maintain recovery-ready documentation and import records
- Strengthen customs controls (classification, origin, valuation, record-keeping)
- Prepare for continued trade policy volatility under alternative measures

Case Study – HS Classification

HS Code Misclassification – USD 22M Penalty

A multinational industrial engineering company submitted false customs declarations over several years

- Higher-duty items (e.g. stainless steel pipes) declared as lower-duty items (e.g. carbon steel)
- Misclassification was systematic, not a one-off error
- Resulted in underpayment of customs duties, including antidumping and countervailing duties
- A whistleblower (internal employee) reported the conduct
- U.S. authorities investigated under the False Claims Act

Consequences

- USD 22+ million settlement with the U.S. government
- Case resolved as customs fraud / duty evasion
- Whistleblower awarded ~USD 3.7 million
- **Demonstrated that HS code errors can trigger severe financial and legal exposure, even without criminal charges**

[Qui Tam Whistleblower Awarded \\$3.7 Million as U.S. Settles with German Engineering Firm for Ducking Customs Import Duties | Mark A. Strauss Law](#)



Case Study – Export Control

US Sanctions on Singapore-Based Firms (Russia-Related Trade)

The United States sanctioned five Singapore-based companies. Actions included:

- Exporting high-priority technology items (e.g. motherboards, power supply systems) to Russia
- Participation in a shipping network that helped Russia’s largest LNG producer procure vessels for its operations

The firms were identified as part of networks operating through third-country jurisdictions to support Russia’s military-industrial base

Consequences

Companies were added to the US Treasury’s Specially Designated Nationals (SDN) List

Resulting impact:

- Severe restrictions on dealings with US persons and the US financial system
- Heightened enforcement scrutiny on Singapore-based trading and logistics firms
- **Case highlights that sanctions exposure can arise even without direct dealings in sanctioned countries**

[Five Singapore-based firms sanctioned by the US for enabling Russia's war effort - CNA](#)



Case Study – Country of Origin

Falsification of Certificates of Origin

- A logistics coordinator altered a legitimate CO issued by the Singapore International Chamber of Commerce (SICC)
- Individual has admitted she had acted out of convenience and concern over delays in obtaining official COs from SICC in time to meet shipment deadlines
- Key details were falsified, including: Consignee names, Goods descriptions, CO reference numbers
- 17 falsified COs were used for exports;
23 additional falsified COs were considered during sentencing
- Offences were uncovered after SICC detected suspicious COs and reported the matter to Singapore Customs

Consequences

- Fine of SGD 150,000 imposed by the State Courts
- Total goods involved:
 - SGD 2.01 million (17 charged COs)
 - SGD 2.77 million (additional COs taken into consideration)
- **Court emphasised that Certificates of Origin are critical to trade integrity**

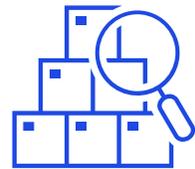
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Best Practices: Leveraging AI for Strategic Impact



HS Classification

- Risk of misclassification
- Absence of a centrally maintained classification database

How can AI help?

- Support goods classification using AI-assisted suggestions with human validation
- Enable automated flagging system to identify missing data or inconsistencies



Export Control Screening

- Time consuming manual screening processes
- Difficulty keeping pace with regulatory updates

How can AI help?

- Perform AI-driven screening for real-time risk detection
- Establish AI-enabled monitoring system to ensure no lapse in controls and prevent any manual changes.

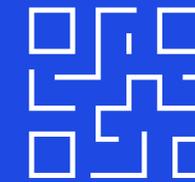


Country of Origin Determination

- Inaccurate origin determination
- Lapse in maintenance of origin validity period

How can AI help?

- Support centralised origin determination calculations
- Centralise origin data to ensure accuracy and audit readiness



Role of Technology

Automated data management enhances:

- Data quality and consistency
- Timeliness of compliance documentation
- Strength and traceability/audit trails
- AI-enabled monitoring supports real-time, risk-based decision-making

Continuous staff training remains essential alongside technology

Best Practices: What should you consider?



Singapore Business Adaptation Grant (BAG)

Amount in 2025

Support level:

- Up to 50% of eligible costs for SMEs
- Up to 30% for non-SMEs

Enhancements in 2026

Enhanced support levels (from 1 April 2026):

- Up to 70% of eligible costs for SMEs
- Up to 50% for non-SMEs

What does the grant cover?

Maximum funding cap: S\$100,000 per enterprise (total, across all approved projects)

Grant availability: From 7 October 2025 to 6 October 2027

Scope of Funding:

- Free Trade Agreement and Trade Compliance
- Legal and Contractual Advisory
- Supply Chain Optimisation and/or Market Diversification
- Reconfiguration* (Manufacturing relocation & supplier changes to new markets only)



SINGAPORE BUDGET 2026 SEMINAR

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