



Press Release

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Subject	BDO Budget Wishlist 2011	

The following is attributed to Mr Rohan Solapurkar, Head of Tax, BDO Tax Advisory

1. *Lower Personal Top Tax Rate:*

The personal tax rates should be lowered and aligned with the corporate tax rate. This would assist in nurturing greater entrepreneurship through sole proprietors through partnerships and would eliminate the need of having a corporate entity or for corporatisation of a business. This would help in lowering the costs of doing business in Singapore.

Attract foreign talent to Singapore in particular if the nation is to become a major Wealth Management Centre as these high skilled professionals are also typically highly rewarded.

2. *Enhanced partial exemptions for SMEs:*

The partial exemption for SMEs should be enhanced as it would facilitate additional 'cash' which would assist in overcoming cash flow problems and could be deployed for business.

3. *Tax deductions for interest incurred on borrowings to acquire Singapore companies:*

Again keeping in line with the Government's policy to encourage consolidation in Singapore so as to strengthen Singaporean companies to compete, interest costs incurred on borrowings to acquire Singaporean companies so as to consolidate operations should be allowed as a tax deduction.

4. *Discounts on rentals:*

With the escalating rentals, the costs of doing business in Singapore is increasing. The Government could consider whether bodies like JTC could consider giving a discount on rentals, especially to SMEs so as to defray some of the costs of doing business in Singapore.

5. *Increase the amount of Approved Renovation* in view of the increase in general cost of constructions and building materials

6. *Jobs Credit to be made permanent*

Jobs Credit could be given to companies who hire or retain older workers. This would encourage and motivate businesses, especially SMEs to hire and retain older workers.

7. *Improving productivity* - To encourage companies / businesses to invest in training and upgrading of work skills by providing an enhanced deduction for expenses incurred on training and other productivity tools.

8. *Aging population concerns* - As our population ages, the increase in parental support allowance is necessary to assist children in providing for their parents especially for aged parents of children who are in financial difficulties.

9. *Re-hiring of retirees* - Provide double tax deductions on salary of retirees and related costs such as training and absenteeism payroll re-imburements

10. *Provide incentives to the set-up and maintenance of childcare facilities at work places* - To encourage Family Friendly work environments, provide incentives to defray costs of maintaining childcare facility within the organisation.

11. *More flexibility at work for women* - To encourage employers to provide employment for part-time or flexible work arrangements for women with at least 2 children, have a co-sharing grant from the Ministry of Manpower (MOM) to defray the costs as a result of special needs of such employees

Notes to editors

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