

# *Research & Development*

## An opportunity for tax savings

2013 / 2014



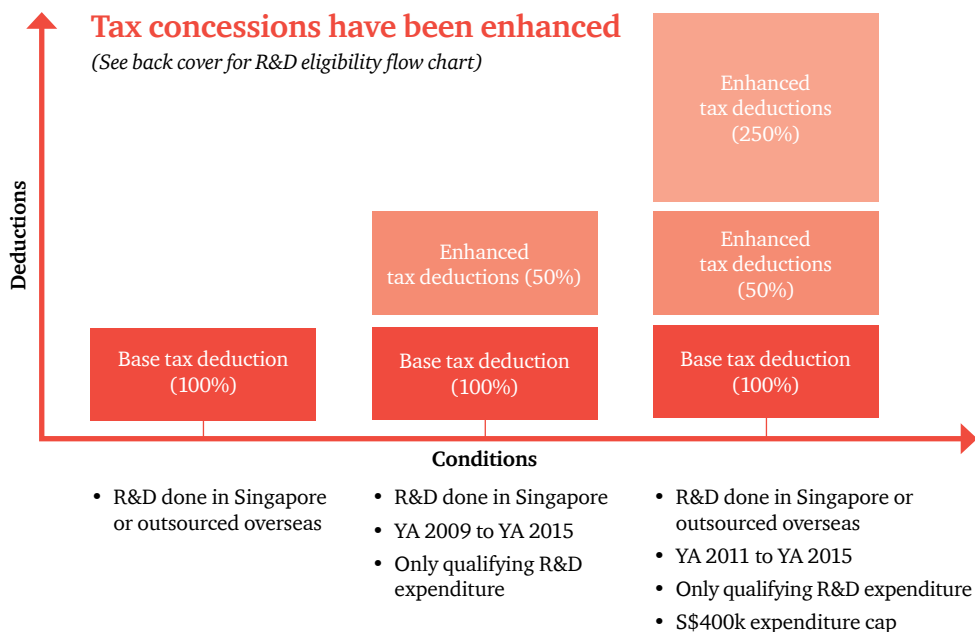
## Did you know that...

- Improvements in business processes can be considered R&D?
- R&D activities carried out offshore can qualify for enhanced tax deductions in Singapore?
- Up to 400% tax deductions can be claimed for R&D costs?

Some companies carry out certain activities without realising that the costs incurred for those activities can qualify for R&D tax concessions and grants or subsidies.

Examples of such activities are:

- using technology (excluding off-the-shelf technologies) to deliver services in new ways or produce enhanced products
- using new materials to improve functionality of products
- integrating two or more technologies (that were not previously combined) to improve products or processes
- fundamentally changing the physical characteristics of products
- using new ingredients to create new products, or to improve functionality
- developing internal-use software



## How to maximise your tax savings

### 1. Identify and track

- Identify business activities eligible for the R&D tax concessions and grants, subsidies or incentives and track the R&D costs

### 2. Document

- Document activities and prepare cost reports to substantiate the claims in the R&D claim form
- Prepare R&D project plan(s) where R&D expenditure is at least S\$150,000

### 3. Submit and defend

- Submit R&D claim form and/or project plan(s) with the income tax return
- Defend the R&D claims with documentation and cost reports if the claims are challenged by the Singapore Tax Authority

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## Our services

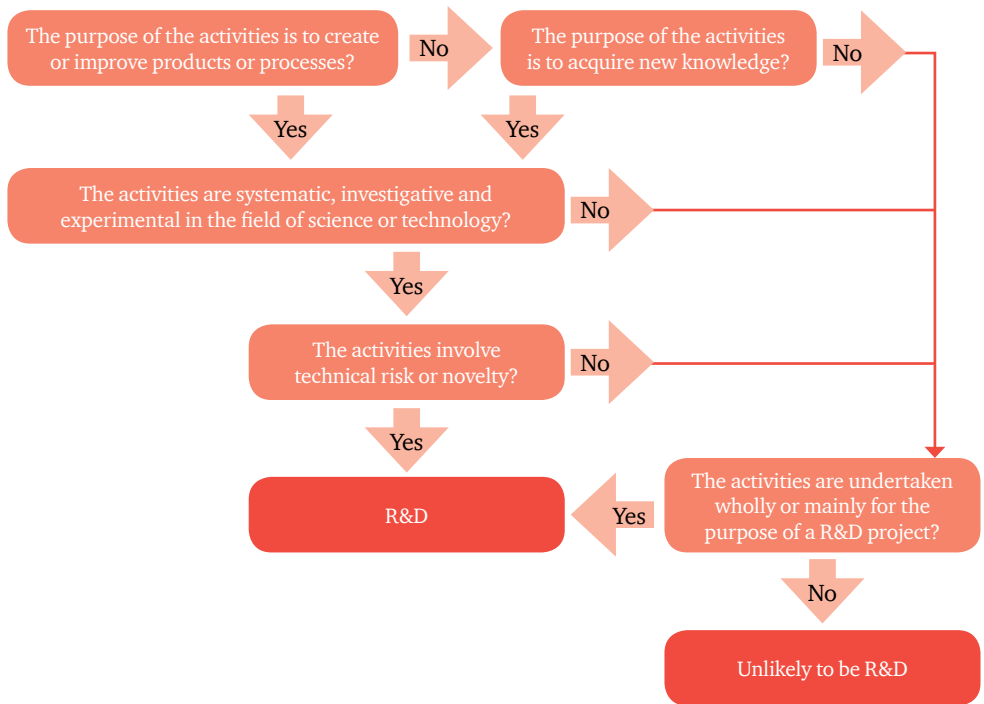
PwC's dedicated R&D team can help you:

- analyse and maximise your R&D claims by identifying the R&D activities and underlying expenses which may qualify for enhanced tax deductions in Singapore;
- conduct R&D workshops for your employees;
- prepare supporting documentation to strengthen the basis of your R&D claim and increase the chances of success in the event of a dispute;
- prepare the R&D project plan in accordance with the guidelines provided by the Singapore Tax Authority, where R&D expenditure is at least S\$150,000 (net of Government grants or subsidies);
- liaise with the Singapore Tax Authority to expedite the review of tax queries; and
- negotiate with the relevant authorities for R&D incentives, grants or subsidies in Singapore.

We can also help you plan where to house your R&D capabilities based on the tax treaties and R&D tax concessions available in different jurisdictions to maximise tax efficiency.

# Does your company qualify?

## R&D eligibility flow chart



## Your PwC Contacts

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