

CLIENT MEMORANDUM

March 27, 2020

SINGAPORE SUPPLEMENTARY BUDGET 2020

The Singapore Supplementary Budget 2020 (known as the Singapore Resilience Budget) was delivered on March 26, 2020. It includes revised Government revenue and expenditure plans for the current financial year, complements the Unity Budget presented on February 18, 2020 and addresses the rapidly evolving COVID-19 situation and the impact on Singapore's economy and society. This brings the total commitment of close to S\$55 billion of measures (which includes drawing S\$17 billion from past reserves) to support workers and save jobs, help enterprises overcome immediate challenges and strengthen the economic and social resilience.

Some of the key measures are summarized below:

Wage and Jobs Support Measures

Enhancement to Jobs Support Scheme (JSS)

The JSS newly launched in the 2020 Unity Budget will be enhanced as follows:

- a. Increase in cash grant for employers from 8% to 25% on gross monthly wages of each local worker (excluding business owners) in employment, with the monthly wage cap raised from S\$3,600 to S\$4,600.
- b. Extension of JSS from 3 months to 9 months, and will be payable in three tranches by end-October 2020.
- c. Additional tiers of support for severely-affected sectors (namely aviation & tourism sector, and food services sector), of either 50% or 75%.

Cash Flow, Cost and Credit Support Measures1. Deferment of Corporate Income Tax (“CIT”) Payments

There will be an automatic three-month deferment of all companies’ CIT payments (including instalments) due in April, May, and June 2020. Consequently, the payments will be collected in July, August, and September 2020 respectively.

2. Enhancement to 2020 Property Tax Rebate for Non-Residential Properties

Property types	Rebates (Unity Budget in February 2020)	Rebates (new)
Qualifying commercial properties (such as licensed hotels, serviced apartments, premises used for Meetings, Incentive Travel, Conventions and Exhibitions) in sectors of tourism, aviation, retail, food service and point-to-point transport services.	15% or 30%	100%
Integrated resorts	10%	60%
All other non-residential properties including premises used for industrial or agricultural purpose, offices, business or science park, petrol station and warehouse.	0%	30%

3. Rental Waivers for Tenants in Government-owned / Managed Non-Residential Facilities

- a. Increased rental waiver from 1 month to 3 months for stallholders of hawker centres and markets, with a minimum waiver of S\$200 per month.
- b. Increased rental waiver from 0.5 months to 2 months for eligible commercial tenants / lessees, including those providing commercial accommodation, retail, F&B, recreation, entertainment, healthcare, and other services.
- c. 0.5 months of rental waiver for all other eligible non-residential tenants of Government agencies, including those in premises used for industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.

4. Withdrawal of government fees and charges

The Government will freeze all government fees and charges for one year, from April 1, 2020 to March 31, 2021.

Resilience and Recovery Measures

1. Enhancement to Productivity Solutions Grant (“PSG”) and Enterprise Development Grant (“EDG”)

The maximum support levels for PSG and EDG, originally announced at 2018 Budget, will be raised as follows for the period from April 1, 2020 to December 31, 2020:

	Original	New
PSG	70%	80%
EDG	70%	80% or 90%

The scope of PSG will be expanded to include systems and tools to help SMEs implement safe distancing and business continuity measures.

2. Extension of Enhanced Course Fee Subsidy to New Sectors and Absentee Payroll for Eligible Courses

- a. Enhanced course fee subsidies of 90% and absentee payroll rates of 90% (capped at S\$10 per trainee-hour) for three months are granted for employers in sectors directly affected by the COVID-19, namely air transport, tourism, retail and food services.
- b. For enhanced course fee subsidy, the existing sectors are extended to include land transport and arts & culture.
- c. For absentee payroll, the existing sectors are extended to include land transport and arts & culture starting from April 1, 2020, and further extended to cover all sectors starting from May 1, 2020.
- d. These training support measures cover eligible courses commencing before January 1, 2021.

3. Enhancement of Financing Schemes for SMEs

Several financing schemes such as Enterprise Financing Scheme – SME Working Capital Loan, Enterprise Financing Scheme – Trade Loan, Loan Insurance Scheme, Temporary Bridging Loan Programme are now enhanced further with extension of coverage, increase in quantum of borrowing, increase in subsidies and/or increase in Government’s risk-share.

Further information

Should you have any queries as to how these developments may impact your business, please do not hesitate to get in touch with your usual contact at Pioneer Associates; or please write and call us on:

Pioneer Associates

Telephone no : +65 6632 8488

Email : general@pioneerassociates.com.sg