



Medinex Limited

Budget 2026 Seminar

What Should SMEs Need to Know
About the Budget 2026

Budget 2026



Support for businesses



Harness AI as Strategic Advantage



Workforce Policies



Corporate Income Tax



Goods & Services Tax

Support for businesses



Market Readiness Assistant Grant



Double Taxation Deduction for
Internationalisation



Enterprise Financing Scheme



Merger & Acquisition Scheme

Enhanced Cap for Market Readiness Assistance Grant [“MRA”]



Current support

- Grant of 50% with a cap of **\$100,000** per new market
- Extended till 31 March 2026.

Enhanced support (from 1 Apr 2026)

- Enhanced grant of **70%** with cap of \$100,000 per new market
- Till 31 March 2029.

* Companies with group annual sales turnover not exceeding \$100 million or a group employment size not exceeding 200 employees.

Enhanced Cap for Market Readiness Assistance Grant [“MRA”]



Enhanced support (from 1 Apr 2026)

- From 2nd Half of Year 2026, the grant support is also applicable to existing overseas market
- More details by Enterprise Singapore by 2nd Half of Year 2026

AT A GLANCE

MRA supports companies in their overseas expansion by covering up to 50% of costs for activities across 3 pillars (capped at S\$100,000 per new market[^])

PILLARS	 OVERSEAS MARKET PROMOTION (capped at S\$20,000)	 OVERSEAS BUSINESS DEVELOPMENT (capped at S\$50,000)	 OVERSEAS MARKET SET-UP (capped at S\$30,000)
ACTIVITIES	<p>Overseas Marketing & PR Conduct a marketing/PR campaign to promote products & services</p> <p>Overseas Physical & Virtual Trade Fair Participate in overseas trade fairs</p>	<p>Identification of Potential Overseas Partners Identify franchisees, distributors, JV partners, logistic partners, etc.</p> <p>In-market Business Development Engage business development services overseas</p> <p>Overseas Marketing Presence Deploy an employee overseas to conduct business development</p>	<p>Market Entry Apply for overseas incorporation, IP protection, trade credit insurance, etc.</p>

[^] A new market is defined as one where the company's annual overseas sales have not exceeded S\$100,000 in any of the previous three years.



Business Adaption Grant



From 1 Apr 2026 to 31 Mar 2029

- Local SMEs — 70% of eligible costs
- Local Non-SMEs — 50% of eligible costs

Grant Scheme	Description
Business Adaption Grant (till 6 Oct 2027)	Local business impacted by tariffs

Eligibility:

- Business entity is registered and operating in Singapore
- At least 30% local equity held directly or indirectly by Singaporeans(s) or and/or Singapore PR(s), determined by the ultimate individual ownership

Business Adaption Grant



AT A GLANCE

BizAdapt is an advisory and reconfiguration support grant that helps companies impacted by tariffs adapt business operations and strengthen supply chain resilience across four areas (capped at \$100,000 per enterprise).

Activity



1. FTA and Trade Compliance

Third-party advisory costs incurred for:

- In-depth FTA opportunity assessment
- Trade and customs compliance assessment
- Customs and export compliance procedures (including sanctions and ruling applications)
- Set up of internal compliance systems and Standard Operating Procedures (SOPs) to ensure trade compliance and FTA documentation



2. Legal and Contractual Advisory

Third-party advisory costs incurred for:

- Contract review and redrafting, contractual risk identification and cross-border contract renegotiations
- Dispute resolution advisory and execution, mediation, arbitration and cross-border disputes



3. Supply Chain Optimisation and/or Market Diversification

Third-party advisory costs incurred for:

- Impact assessment and diagnostics, which can include but not limited to:
 - Tariff financial impact, financial modelling and risk assessment, market expansion feasibility, sector-specific opportunities and challenges
- Planning & implementation of supply chain/market strategies, which can include but are not limited to:
 - Risk response plans, supply chain diversification and market entry strategies, partner/client identification in new markets



4. Reconfiguration for manufacturing relocation & supplier changes to new markets only

Third-party costs incurred for:

- Logistics including freight charges, handling and custom clearance fees
- Inventory holding, including warehouse rental, inventory management systems

Global Innovation Alliance [“GIA”]



From 1 Apr 2026 to 31 Mar 2029

- Local SMEs — 70% of eligible costs
- Local Non-SMEs — 50% of eligible

Grant Scheme	Description
Global Innovation Alliance schemes	To support Singapore-based startups to expand overseas, through participating in market access programmes and connecting with in-market experts, with a focus on technology and innovation

Global Innovation Alliance [“GIA”] MediNe

Eligibility:

- The lead applicant should be a business entity that is registered/incorporated and operating in Singapore
- At least 30% local equity held directly or indirectly by Singaporeans(s) or and/or Singapore PR(s)
- Be in financially viable position to start and complete the project

Double Taxation Deduction for Internationalisation Scheme



[“DTDi”]

Existing scheme

- Claim 200% tax deduction on first \$150,000 of eligible expense for 9 activities without prior approval
- Eligible expenses above \$150,000 require prior approval from Enterprise Singapore or STP

Enhanced scheme

- Claim 200% tax deduction on first \$400,000 of eligible expense for 12 activities without prior approval
- Eligible expenses above \$400,000 require prior approval from Enterprise Singapore or STP

Double Taxation Deduction for Internationalisation Scheme [“DTDi”]



GET SUPPORT IN 4 KEY CATEGORIES



MARKET PREPARATION

- ✓ Design of packaging for overseas market
- ✓ Product/ Service certification
- ✓ Market surveys/ Feasibility studies



MARKET EXPLORATION

- ✓ Overseas market development trips/ missions
- ✓ Overseas trade fairs
- ✓ Local trade fairs*
- ✓ Virtual trade fairs+

* Local trade fairs must be approved by Enterprise Singapore (EnterpriseSG) or Singapore Tourism Board (STB)

+ Virtual trade fairs must be approved by EnterpriseSG



MARKET PROMOTION

- ✓ Overseas advertising and promotional campaigns
- ✓ Production of corporate brochures for overseas distribution
- ✓ Advertising in approved local trade publications
- ✓ Overseas Business Development
- ✓ E-Commerce Campaigns **New**



MARKET PRESENCE

- ✓ Overseas trade offices
- ✓ Master licensing and franchising
- ✓ Employee overseas posting
- ✓ Overseas investment study trips/ missions
- ✓ Investment feasibility/ due diligence studies

Double Taxation Deduction for Internationalisation Scheme [“DTDi”]



	Without DTDi support	With DTDi support
Revenue	S\$100,000	S\$100,000
DTDi eligible expense of S\$10,000	(S\$10,000)	(S\$20,000)
Other expenses	(S\$20,000)	(S\$20,000)
Taxable income	S\$70,000	S\$60,000
Tax payable (@ 17% as of YA2015)	S\$11,900	S\$10,200
Savings from DTDi	N.A.	\$1,700

Enhancements to Enterprise Financing Scheme [“EFS”]



	Current	Enhanced
SME Fixed Assets Loan <ul style="list-style-type: none">• Purchase of equipment & machinery for automation and upgrading• Purchase or construction of govt- and commercial-built factories & business premises	<ul style="list-style-type: none">• \$30m cap• Subject to overall limit of \$50m	<ul style="list-style-type: none">• Borrowing cap for each type of loan will be lifted• Subject to limit of \$50m across all EFS loans
Trade Loan <ul style="list-style-type: none">• Trade financing needs including inventory financing, working capital, factoring & etc.	<ul style="list-style-type: none">• \$10m per borrower and \$20m per borrower group• Subject to overall limit of \$50m across all EFS scheme	

Enhancements to Enterprise Financing Scheme [“EFS”]



Eligibility:

- Business entity registered and operating in Singapore
- At least 30% local equity held directly or indirectly by Singaporean(s) or PR(s), determined by the ultimate individual ownership
- Group annual sales / turnover not exceeding \$500m
- SME is defined as having a Group revenue of up to \$100m or a max. employment size of 200 employees

Enhancements to Enterprise Financing Scheme [“EFS”]



Borrower Group consist of the following:

- Borrower
- Corporate shareholders holding more than 50% at all levels up
- Subsidiaries where the borrower holds more than 50% shareholdings and subsequent subsidiaries at all levels down
- Subsidiaries where the borrower’s ultimate parent company holds more than 50% shareholdings and their subsidiaries at all levels down

EDGE

New portal to streamline application process

- Open to all businesses including non-SMEs
- All application under one roof



Harness AI as a Strategic Advantage

National AI Council / Champions of AI Programmen

Complimentary subscription of AI tools

Enhancement to the Enterprise Innovation Scheme

Expansion of Productivity Solution Grant

AI Park / Expansion of TechSkills Accelerator

National AI Council



Focus on 4 key sectors:

- Advanced Manufacturing
- Connectivity
- Finance
- Healthcare

Champions of AI programme will provide tailored support for firms to use AI to comprehensively transform their businesses.

AI Park and Expansion of TechSkills Accelerator [“TeSA”]



AI Park

- Establish AI park at One-North (Kampong AI, Lorong AI)
- Focal point for innovating, test-bedding and scaling AI solutions

TechSkills Accelerator

- To raise AI fluency of the workforce and expanded to support AI skills training in non-tech, cross-sectoral occupations
- IMDA will start with the accountancy and legal professions.

Enhancements to the Enterprise Innovation Scheme [“EIS”]



Existing scheme

- Claim 400% tax deduction on qualifying expenditures

Qualifying expenditures	Expenditure cap per YA
Qualifying R & D undertaken in Singapore	\$400,000
Registration of Intellectual Property [“IP”]	
Acquisition and licensing of IP rights	
Training courses eligible for SkillsFuture Singapore funding and aligned with the Skills Framework	
Innovation projects carried out with polytechnics, ITEs or other qualified partners	\$50,000

Enhancements to the Enterprise Innovation Scheme [“EIS”]



Enhanced scheme

- Innovation projects to include Sectoral AI Centre of Excellence for Manufacturing
- Additional qualifying activity for AI expenditure to claim 400% deduction on up to \$50,000 of qualifying expenditure

Expansion of the Productivity Solution Grant [“PSG”]



Enhanced scheme

- To support businesses in AI adoption, a wide range of AI-enabled solution will be made available

Complimentary subscription to premium versions of AI tools



To encourage learning-by-doing with AI, the Government will provide 6 months of free access to premium versions of AI tools to Singaporeans who take up selected AI training courses listed under the MySkillsFuture portal.

Workforce Policies

Raise the Local Qualifying Salary

Extend the Progressive Wage
Credit Scheme

Updating Foreign Worker Policies

Increase in Senior Worker's CPF
rate

Local Qualifying Salary [“LQS”]



Raise the LQS from \$1,600 to \$1,800 for full-time employee from 1 July 2026

Computation of foreign worker quotas under new LQS:

- a. 1 local workforce = Per local worker who is paid at least \$1,800; and
- b. 0.5 local workforce = Per local worker who is paid at least \$900 but less than \$1,800

Progressive Wage Credit Scheme (PWCS)



Existing scheme

Co-funding of wage increases for low-wage workers between 2022 to 2026.

Gross monthly wage of up to \$3,000 before wage increase

Average gross monthly wage increase must be **at least \$100**

Co-fund wage increases for **two years**

Progressive Wage Credit Scheme (PWCS)



Enhanced scheme

- Extension of PWCS to Year 2028
- Increase co-funding support from 20% to **30%** for Year 2026
- Revision of minimum qualifying wage increase from \$100 to **\$200** for wage increase from Year 2027 onwards

Progressive Wage Credit Scheme (PWCS)



Businesses will automatically qualify if you give wage increases to resident employees who:

1. Received CPF contributions from a single employer for at least 3 calendar months in the preceding year,
2. Have been on the firm's payroll for at least 3 calendar months in the qualifying year.

Wages paid to **business owners i.e. sole proprietors of sole proprietorships, or partners of a partnership, or both a shareholder and director of a company**, will not be eligible for PWCS.

Progressive Wage Credit Scheme (PWCS)

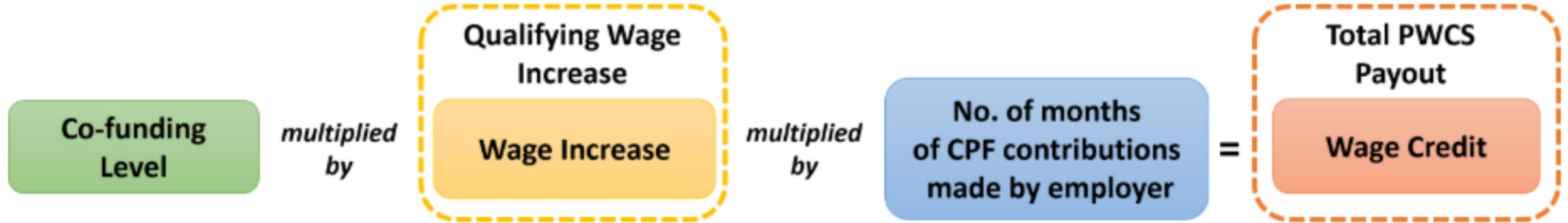


Qualifying Year	Payout Period	Current	Enhanced
2025	Q1 2026	40%	40%
2026	Q1 2027	20%	30%
2027	Q1 2028	-	30%
2028	Q1 2028	-	20%

Progressive Wage Credit Scheme (PWCS)



Computation of PWCS



Gross Monthly Wage = Total wages (**basic salary** and additional wages such as **overtime pay and bonuses**, but excluding employer CPF contributions) paid by the employer to the employee in a calendar year / Number of months in which CPF contributions were made.

Employee who earned \$2,000 per month in 2024, and experiences average gross monthly wage increase of \$100 in January of each year



	2025	2026
Average Gross Monthly Wage	\$2,200	\$2,400
PWCS Co-Funding Level	40%	30%
Wage Increase	\$200 (2025 = \$2,000 - \$2,200)	\$200 (2026 = \$2,200 - \$2,400) +60 (2025 = \$2,000 - \$2,200) +80
PWC Co-Funding (monthly)	\$80	\$140 (60 + 80)
Total Annual PWC payout	\$960	\$1,680

Progressive Wage Credit Scheme (PWCS)



The new employee was working for another company in 2025 for a salary of \$2,500.

New employee joined the Company in Jan 2026 at a salary of \$2,800.

The difference of \$300 will qualify for PWCS

Employment Pass [“EP”]



- Min. qualifying salary increase from \$5,600 to \$6,000
- New application from 1 Jan 2027 and renewal application from 1 Jan 2028

Sector(s)	Current Qualifying Salary	Revised Qualifying Salary
All sectors except Finance Services	\$5,600 (up to \$10,700 at age 45 and above)	\$6,000 (up to \$11,500 at age 45 and above)
Financial Services	\$6,200 (up to \$11,800 at age 45 and above)	\$6,600 (up to \$12,700 at age 45 and above)

S Pass



- Min. qualifying salary increase from \$3,300 to \$3,600
- New application from 1 Jan 2027 and renewal application from 1 Jan 2028

Sector(s)	Current Qualifying Salary	Revised Qualifying Salary
All sectors except Finance Services	\$3,300 (up to \$4,80 at age 45 and above)	\$3,600 (up to \$5,100 at age 45 and above))
Financial Services	\$3,800 (up to \$5,650 at age 45 and above)	\$4,000 (up to \$5,650 at age 45 and above)

Work Pass



Traditional Sources

- Malaysia
- People's Republic of China
- Hong Kong
- Macua
- South Korea
- Taiwan

Non-Traditional Sources

- Bangladesh
- Bhutan
- Cambodia
- India
- Laos
- Myanmar
- Philippines
- Sri Lanka
- Thailand

Work Pass



Non-Traditional Sources Occupation List – Minimum Monthly Salary of \$2,000

Current	Additional (w.e.f 1 Sep 2026)
Cooks	Butchers, fishmongers and related food preparers
Food Processing workers	Food/drink stall assistants
Heavy vehicle drivers	Kitchen assistants
Housekeeping workers and porters	Waiters
Manufacturing workers such as Assemblers, Machine operators, Welders & etc.	Cabin attendants
	Babysitters/Infant caregivers
	Educarers
	Teacher aides

Work Pass



Foreign worker levy rates will be adjusted from Year 2028

Sector	Dependency Ration Utilisation	Current Monthly FWL Rate		New Monthly FWL Rate	
		Higher Skilled (R1)	Basic Skilled (R2)	Higher Skilled (R1)	Basic Skilled (R2)
Services	Tier 1: Up to 10%	\$300	\$450	\$400	\$600
	Tier 2: >10% to 25%	\$400	\$600		
	Tier 3: >25% to 35%	\$600	\$800	\$600	\$600
Manufacturing	Tier 1: Up to 25%	\$250	\$370	\$300	\$470
	Tier 2: >25% to 50%	\$350	\$470		
	Tier 3: >50% to 360%	\$550	\$650	\$550	\$550

Retirement & Re-employment



Age	Retirement age	Re-employment age
Born on or before 30 June 1955 (>67 years old on 1 July 2022)	62	67
Born on or after 1 July 1955 and up to 30 June 1960 (>62 to ≤67 years old on 1 July 2022)	62	68
Born on or after 1 July 1960 (≤62 years old on 1 July 2022)	63	68

Retirement & Re-employment



Retirement - 63 years old (from 1 Jul 2022)

- Raised to 64 years old from 1 Jul 2026 (born on or after 1 Jul 1963)

Re-employment - 68 years old (from 1 Jul 2022)

**- Raised to 69 years old from 1 Jul 2026
(born on or after 1 Jul 1958)**

CPF Contribution for Senior Workers

CPF contribution rates from 1 Jan 2026 onwards



Age Band	CPF Contribution Rates			CPF Transition Offset
	Total	Employer	Employee	
≤ 55	37.0% - No Change			
> 55 to 60	34.0%	16.0%	18.0%	0.25%
> 60 to 65	25.0%	12.5%	12.5%	0.25%
> 65 to 70	16.5%	9.0%	7.5%	
> 70	12.5%	7.5%	5.0%	

CPF Contribution for Senior Workers

CPF contribution rates from 1 Jan 2027 onwards



Age Band	CPF Contribution Rates			CPF Transition Offset
	Total	Employer	Employee	
≤ 55	37.0% - No Change			
> 55 to 60	35.5% (+1.50%)	16.5% (+0.50%)	19.0% +(1.0%)	0.25%
> 60 to 65	26.0% (+1.0%)	13.0% (+0.50%)	13.0% +(0.5%)	0.25%
> 65 to 70	16.5%	9.0%	7.5%	
> 70	12.5%	7.5%	5.0%	

Corporate Income Tax

Corporate tax rebate & cash grant

Corporate Income Tax [“CIT”] Cash Grant



Cash payout of \$1,500 for YA2026 (\$2,000 for YA2025 and YA2024)

Payout in Q2 2026

Criteria:

- At least one local employee in 2025 made CPF contribution. Exclude shareholder who is also the company’s director in calendar year 2025.**

Corporate Income Tax [“CIT”] Rebate



CIT Rebate of 40% for YA2026 (50% rebate for YA2025 & YA2024)

CIT rebate and cash grant cap at \$30,000 (rebate capped at \$40,000 for YA2025 & YA2024)

Cash Grant is included as part of the CIT Rebate

If company meets local employee condition and receives CIT Rebate Cash Grant of \$1,500

If CIT Rebate \leq \$1,500, no CIT Rebate to be given.
If CIT Rebate $>$ \$1,500, CIT Rebate (capped at \$30,000) less \$1,500 to be given.

If company does not meet local employee condition and does not receive CIT Rebate Cash Grant of \$1,500

If CIT Rebate $>$ \$0, CIT Rebate (capped at \$30,000) to be given.

Corporate Income Tax [“CIT”] Rebate

Company with tax rebate more than cash grant of \$1,500



	Computation of rebate & cash grant	Tax computation
Tax payable		\$30,000
Less: CIT Cash Grant (paid to you by IRAS separately)	\$1,500	-
Tax rebate (40% of \$30,000)	\$12,000*	(\$10,500)
		(\$10,500)
Net tax payable		\$19,500

Corporate Income Tax [“CIT”] Rebate



Company with tax rebate less than cash grant of \$1,500

	Computation of rebate & cash grant	Tax computation
Tax payable		\$3,000
Less: Tax rebate (40% of \$3,000)	\$1,200*	Nil
Net tax payable		\$3,000

Tax payable	\$3,000
Less: CIT Cash Grant	(\$1,500)
Net tax payable	\$1,500

Corporate Income Tax [“CIT”] Rebate

	Computation of rebate & cash grant	Tax computation
Chargeable Income		\$543,676
Less: Partial Tax Exemption		(\$102,500)
		\$441,176
Tax payable (17% x \$441,176)		\$75,000
Less: CIT Cash Grant		(\$1,500)
Tax rebate (40% of \$75,000)	\$30,000*	(\$28,500)
		(\$30,000)
Net tax payable (effective tax rate: 8.28%)		\$45,000

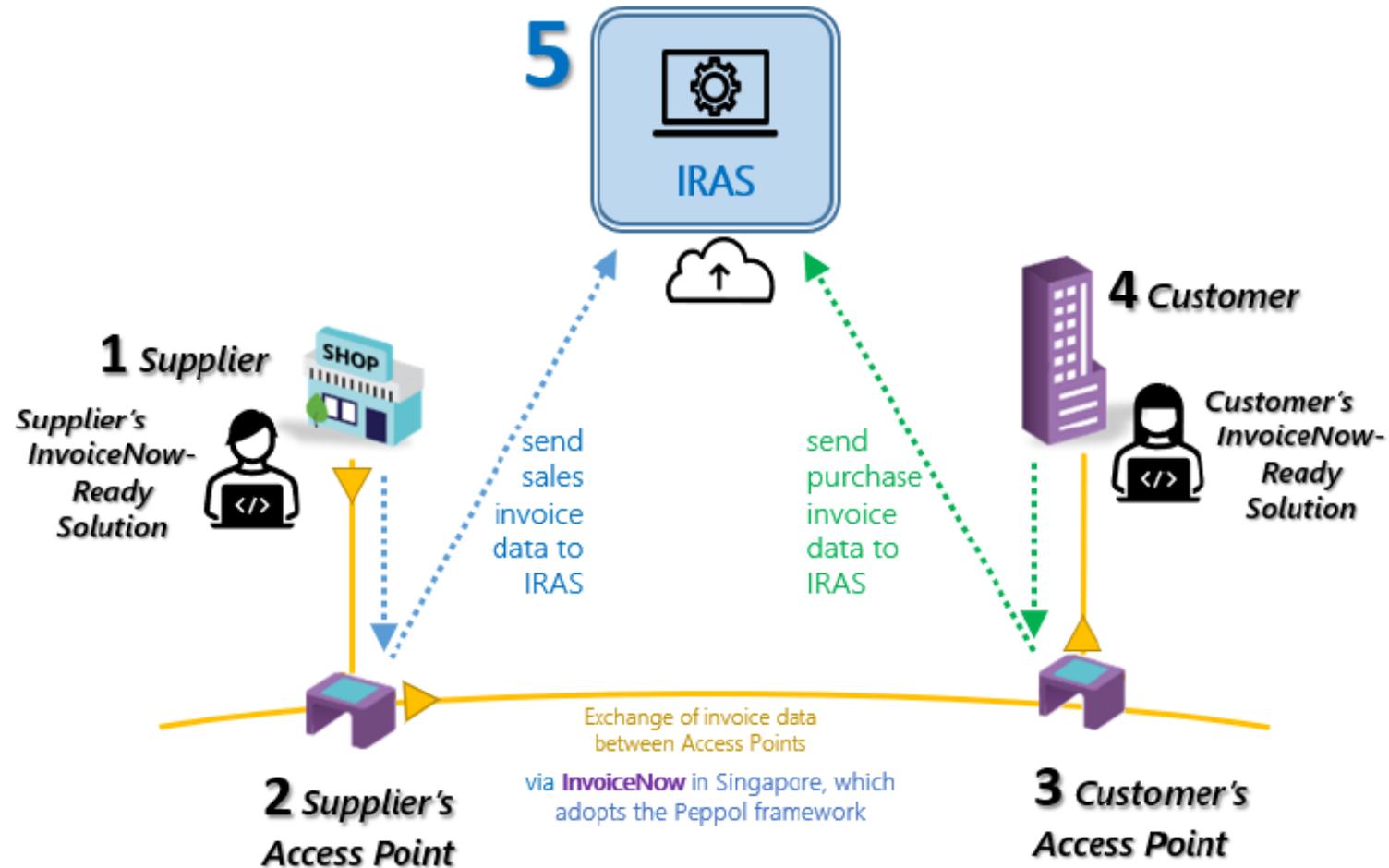
Goods & Services Tax

Electronic Invoicing

InvoiceNow



How GST InvoiceNow Requirement works



InvoiceNow



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

Total annual supplies = Based on all GST accounting periods ending in Calendar Year 2025

Budget 2026 - Recap



Support for businesses



Harness AI as Strategic Advantage



Workforce Policies



Corporate Income Tax



Goods & Services Tax

Medinex Limited

Budget 2026 Seminar

End of Presentation

