



FOR IMMEDIATE RELEASE

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Comments from KPMG on Budget Statement 2008

GENERAL

Danny Teoh, Managing Partner, KPMG

"The budget is good news for SMEs with most of the goodies appearing to go to them. However, it falls short of the expectations of MNCs and big business."

Danny Teoh, Managing Partner, KPMG

"Although the larger picture in relation to Singapore's competitiveness has been sketched out, businesses would probably have liked to see more immediate measures taken to alleviate the inflationary pressures on prices."

Owi Kek Hean, Head of Tax, KPMG

"The increase in R&D cost to 150% available for tax deduction, together with the decoupling of R&D activities and the existing trade or business of a company, will encourage more R&D activities to be carried out in Singapore. It is however disappointing to note that there is no incentive to encourage the ownership and exploitation of Intellectual Properties from these activities."

Tay Hong Beng, Executive Director, KPMG

"The 5% concessionary tax incentive for Islamic financing demonstrates Singapore's intention to be a major player in this sector. However, it would have been sweeter had double deduction on R&D expenses on the development of Islamic financing products also been considered."

SMEs

Chung Siew Moon, Executive Director, KPMG

"The extension of unilateral tax credit together with the exemption on foreign sourced income will further encourage multinational corporations to use Singapore as a hub for regional and international operations."

Environment

Leonard Ong, Executive Director, KPMG

"We had hoped to see additional tax depreciation on energy efficient and pollution-reducing equipment for businesses. The absence of such incentives encouraging businesses to be eco-friendly is a big let-down given the increasing worldwide concern on sustainability."

PERSONAL

Owi Kek Hean, Head of Tax, KPMG

"As anticipated, Budget 2008 is a people's Budget. However, the expected cut in the personal tax rate did not materialise. This status quo is clearly a disappointment."

ESTATE DUTY

Ooi Boon Jin, Executive Director, KPMG

"The removal of Estate Duty signals the Government's desire to attract families to come and live in Singapore and to boost the wealth management industry."

Note to editors:

About KPMG in Singapore

All references contained here-in refer to KPMG in Singapore, part of a global network of professional services firms providing Audit, Tax and Advisory services. The independent member firms of the KPMG network operate in 145 countries and have more than 123,000 professionals world wide. KPMG's website is located at kpmg.com.sg

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