

Singapore Budget Highlights 2026



The Minister of Finance presented the Singapore Budget on 12 February 2026. It's all about pro-growth, pro-AI, pro-internationalisation while strengthening wage growth and social resilience. We summarise the key announcement highlights below.

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Economic outlook



Key strategic focus areas



AI-driven transformation
Accelerating AI adoption across industries



Global expansion support
Helping businesses internationalise confidently



Growth-stage innovation funding
Stronger support for scaling enterprises



Sustainability investment
Green transition and environmental leadership



Broad digitalisation support
Empowering enterprises and employees to go digital



Business cost relief and "we first" society
Balancing enterprise support with social inclusion

Corporate support measures

Corporate Income Tax (CIT) rebate and cash grant



Double Tax Deduction for Internationalisation (DTDi) scheme

From YA 2027

- Automatic claim cap raised to S\$400,000 per YA
- No prior approval required for up to 14 qualifying activities
- Five new qualifying activities without prior approval:
 - Investment feasibility/due diligence studies
 - Master licensing and franchising
 - Market surveys/feasibility studies
 - Overseas business development
 - Production of corporate brochures for overseas distribution

Enterprise Innovation Scheme (EIS)

New qualifying activity: AI expenditure

- New partner institutions: Sectoral AI Centre of Excellence (Manufacturing)
- 400% tax deductions/allowances on up to S\$50,000 per YA
- No cash payout option

Financial and trade incentives

Withholding tax exemption (financial sector)

- Extended till 31 Dec 2031
- Applies to specified financial transactions

Global Trader Programme (GTP)

- Extended till 31 Dec 2031
- From 13 Feb 2026 includes Environmental Attribute Certificates

Tax deduction on donations

- 2.5 times tax deduction
 - For qualifying local donations to eligible Institutions of a Public Character (IPCs)
 - Extended till 31 Dec 2029
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Workforce and employment changes

Central Provident Fund (CPF) contribution rate (by 2030)

- Age 55 to 60 – increase 3% (34% to 37%)
- Age 60 to 65 – increase 1% (25% to 26%)

Local Qualifying Salary (LQS)

From 1 Jul 2026

- Full-time local workers: S\$1,800/month
- Part-time local workers: S\$10.50/hour
- Applies to firms hiring foreign workers (must pay locals at least LQS)

Employment Pass (EP) and S Pass (SP) salary updates

Effective:

- 1 Jan 2027 (new applications)
- 1 Jan 2028 (renewals)

All sectors (excluding Financial Services):

- EP: S\$5,600 → S\$6,000
- SP: S\$3,300 → S\$3,600

Financial Services sector:

- EP: S\$6,200 → S\$6,600
- SP: S\$3,800 → S\$4,000

Foreign Worker Levy (FWL)

- Rate adjustment from 2028

Support for mature and lower wage workers

Senior Employment Credit (SEC)

- Extended to end of 2027

Progressive Wage Credit Scheme (PWCS)

- Extended till 2028
- Government co-funding increased: 20% → 30%
- Minimum qualifying wages increase: S\$100 → S\$200 (from 2027)

Key contacts



Sridhar Nagarajan

Regional CEO, APAC

E sridhar.nagarajan@iqeq.com



Neil Synnott

Regional Chief Commercial Officer,
APAC

E neil.synnott@iqeq.com



Elsa Novita

Head of Tax Services

E elsa.novita@iqeq.com



Ernest Lu

Chief Operating Officer, APAC

E ernest.lu@iqeq.com



Kathy Loh

Business Development Director

E kathy.loh@iqeq.com



Sukanya Lal

Business Development Director

E sukanya.lal@iqeq.com

This infographic summary is not a holistic guide on the Singapore's 2026 Budget. Some items found in the actual budget are omitted from this summary. To the best of our abilities, we have tried to feature those we deem of interest to the general public and our clients. For a comprehensive read, do head over to [Singapore Budget website](#).

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