



Incentive Snippets



Issue 5 | Scaling to greater heights with the Automation Support Package

The Automation Support Package (ASP) was introduced during the Budget 2016 with the aim of supporting companies as they roll out or scale up automation projects to reduce manpower reliance and improve productivity.

The scheme will provide support of over S\$400 million over an initial period of 3 years (until 31 March 2019).

Eligibility criteria

Companies applying for the ASP should meet the following criteria:

- Registered and operating in Singapore
- At least 30% local shareholding

The applications are based on the scope of the projects, and are subject to approval. In general, qualifying projects should:

- Involve large-scale deployment of automation solutions across existing operations
- Result in a leaner manpower format and significant productivity improvements through one (or more) of the following:
 - Mechanisation of manual processes/ business operations
 - Redesigning of existing workflows/ processes
 - Adoption of technology above the industry norm
- Not for the sole purpose of replacing/ upgrading of equipment or pure expansion of capacity (e.g. through the acquisition of equipment, setting up of new production lines/ outlets)

The support package consists of the following three components:



Chiu Wu Hong

Head of Tax
+65 6213 2569



Harvey Koenig

Head of Enterprise
Incentives Advisory
+65 6213 7383

1. Grant support

Up to 50% of qualifying project costs (e.g. consultancy, training, certification and equipment costs), capped at S\$1 million per project.

2. Tax incentive

100% Investment Allowance for automation equipment, where the approved capital expenditure is capped at S\$10 million per project. This support is in addition to the existing capital allowance for plant and machinery.

3. Government -backed loans

Local SMEs can apply for equipment and factory loans of up to S\$15 million.

How we can help

KPMG's Enterprise Incentives Advisory team is a multi-disciplinary team comprising of specialists from various industry backgrounds who can help evaluate incentives applicable to your business and assist with the application process. If your Company is planning to deploy a large scale automation project, please feel free to contact us for further discussion.

Stay tuned for our next incentive snippets newsletter.

Asia Tax Firm of the Year - *Asia Tax Awards 2016 & 2017, International Tax Review.*

Ranked Tier 1 Firm in Singapore – *World Tax 2017, International Tax Review.*

Asia International Tax Firm, Asia Indirect Tax Firm; Asia Global Executive Mobility Firm and National Firm for Transfer Pricing in Singapore - *Asia Tax Awards 2016, International Tax Review.*

For more details of our Enterprise Incentives Advisory services, please click [here](#).

[Privacy](#) | [Legal](#)

To cease receiving all commercial electronic messages from KPMG in the future, unsubscribe [HERE](#).

16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

© 2017 KPMG Services Pte. Ltd. (Registration No: 200003956G), a Singapore incorporated company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

kpmg.com.sg/socialmedia



kpmg.com/app

