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Navigating Incentives across
Southeast Asia 2025

Set sail on your SEA investments
and incentives

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Introduction



In today's global economy, businesses are presented with a myriad of opportunities and challenges when it comes to understanding and leveraging Government incentives. Southeast Asia (SEA), with its diverse mix of cultures, economies and regulatory frameworks offers business of different sizes and industries a rich and vibrant tapestry of incentives to support their investment, innovation and sustainability plans.

The introduction of Base Erosion and Profit Shifting (BEPS) Pillar 2 has left an indelible mark on the global tax landscape, including SEA. In reaction to the international tax developments, ASEAN (Association of Southeast Asian Nations) countries are recalibrating their incentive regimes to remain attractive and strike a balance between fostering investment and ensuring fiscal sustainability.

Navigating the ever-changing and complex landscape can be daunting and time-consuming, but it is also one that can generate significant benefits. Our guide is specially curated to provide readers a view of the latest highlights to the local incentive landscapes of the SEA region, whether you are a multinational corporation looking to expand your footprint in the region or a local entrepreneur seeking to unlock new growth opportunities.

At Deloitte, our tax professionals recognise the significance of helping our clients to stay abreast of developments affecting their business and remain at the forefront of providing strategic guidance in navigating the intricacies of the evolving incentive landscape within each country. We understand that success in today's business environment requires more than just information—it requires strategic foresight, innovation and a proactive approach to prioritise and seize opportunities. From strategic planning and advisory services to compliance and implementation support, we offer a comprehensive suite of services tailored to your specific needs. With our specialised country teams of grants and incentives experts, we are dedicated to providing you the support and guidance needed and executing an effective incentives strategy for your needs.

We invite you to explore the opportunities presented within these pages and set sail on your investment journey with us. For further information, please reach out to any of the key contacts to find out more.



Indonesia

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Country background

The Indonesian Government regularly updates the tax holiday and tax allowance regulations to ease the application process and expand the business sectors eligible for the incentives. These include a tax incentive for new investments or expansions in certain businesses that are considered labor intensive. The Indonesian Government also has issued regulations to provide incentives relating to income taxation, customs and excise, traffic of goods, employment, immigration, land and spatial planning, business licenses, and other areas to entities that operate within certain business sectors as determined by Indonesia's National Council in the Kawasan Ekonomi Khusus special economic zone (SEZ).

BEPS 2.0 updates

- Income Inclusion Rule: Expected date of 1 January 2025
- Qualified Domestic Minimum Top-up Tax: Expected date of 1 January 2025
- Undertaxed Payments Rule: Expected date of 1 January 2025

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Tax Holiday</p> 	<p>This incentive offers a corporate income tax (CIT) reduction of 50% or 100% of the CIT due for 5 to 20 years from the beginning of commercial production depending on the value of the planned investment.</p> <p>Tax Holiday Facility may be granted in the event that the taxpayer fulfils the following criteria:</p> <ul style="list-style-type: none"> • Taxpayer in pioneer industry or non-pioneer industry (subject to the fulfilment of quantitative criteria); • Minimum investment of IDR 100 billion; • Indonesian legal entity; • New investment (new business or expansion) in which a decision on granting or rejection notification of corporate income tax reduction has not been issued by the Ministry of Finance (MOF); and • Fulfilling provision regarding debt to equity ratio. <p>It is noteworthy that there is obligation to comply with the domestic minimum top-up tax to all taxpayers who have secured tax holiday facilities.</p> <p>The Government of Indonesia has announced that the deadline for new tax holiday submission will be 31 December 2025. The Government is exploring a new tax incentive regime in response to Global Minimum Tax (GMT) rule.</p>
<p>Tax Allowance</p> 	<p>Tax incentives provided by the Indonesian Government as a reduction in taxable income for investors which are calculated based on the amount of investment invested.</p> <ul style="list-style-type: none"> • A reduction in net income of up to 30% of the amount invested, prorated at 5% p.a. for six years of the commercial production. • Accelerated depreciation and/or amortization. • Tax loss carry forward period up to 10 years (normally 5 years).
<p>Super Tax Deduction</p> 	<p>Tax incentives provided by the Indonesian Government to businesses that participate in vocational education activities, such as work practices, apprenticeships and learning.</p> <p>Labour intensive industries:</p> <ul style="list-style-type: none"> • Reduction to the net income for the amount of 60% of new capital investment in the form of fixed assets inclusive of land. <p>Human resource development industries:</p> <ul style="list-style-type: none"> • Net income reduction up to 200% of relevant expenditures. <p>Research and development industries:</p> <ul style="list-style-type: none"> • Reduction to the gross income for the amount up to 300% of relevant expenditures.

Industries most affected by Government incentives in Indonesia

- Telecom, Media & Entertainment
- Technology
- Automotive
- Transportation, Hospitality & Services
- Power & Utilities
- Mining & Metals
- Oil, Gas, & Chemicals
- Industrial Products & Construction
- Health Care
- Life Sciences
- Health & Social Care
- Transport

List of incentives

Investment

Incentive name	Brief description	Maximum incentive benefit
Bonded Zone	Areas designated to store imported goods and/or local supplies for production purposes with its output primarily for export purposes.	Deferred customs duty, non-collected import taxes, and/or an excise tax exemption.
Bonded Warehouse	Areas designated to store imported goods, which may be accompanied with one or more activities, such as packaging/repackaging, sorting, kitting, packing, adjustment, or cutting of certain goods within a certain period for later removal.	Deferred customs duty, non-collected import taxes, and/or an excise tax exemption.
Bonded Logistic Center	Areas designated to store imported goods, which may be accompanied with one or more activities, such as packaging/repackaging, sorting, kitting, packing, adjustment, or cutting of certain goods within a certain period for later removal. The purpose of this facility is to provide flexibility for investors to take their supplies of raw material and/or supporting material in and out of Indonesia.	Deferred customs duty, non-collected import taxes, and/or an excise tax exemption.
Master List	Incentives for import of machinery, goods, and materials made by a company that conducts development or expansion of industry, in the context of industry or certain service industry.	Import duty exemption or relief.
Ease of Import for Export (Kemudahan Impor Tujuan Ekspor or KITE)	Incentives for import of materials for production purposes with its output primarily for export purposes.	Import duty exemption or refund.
SEZ	The SEZ offers various fiscal and non-fiscal facility for investment activities that is performed in the SEZ.	<p>Fiscal facilities</p> <ul style="list-style-type: none"> Value-added tax (VAT) or VAT and Tax on Luxury Goods. Local Tax incentives between 50%-100%. <p>Non-fiscal facilities</p> <ul style="list-style-type: none"> Immigration facilities. No negative list for importation. Indonesian National Standard is not mandatory in the SEZ. No export obligation.

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Battery Electric Vehicle (BEV) Industry	Incentive for the importation of completely-built-up (CBU) BEVs or Government-borne import duty incentive for the importation of CBU BEVs also for the importation of domestically produced BEVs or Government-borne import duty incentive for the importation of domestically produced BEVs.	Deferred customs duty, non-collected import taxes, and/or an excise tax exemption.



Malaysia

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Country background

The general Corporate Income Tax rate in Malaysia is 24%. Innovation incentives include research and development (R&D) incentives in the form of investment tax allowances for qualifying capital expenditure for assets used in R&D, as well as super deductions for operating expenses incurred for qualifying R&D. Apart from the innovation incentives, there are major tax incentives for certain industry sectors, to attract both foreign and domestic direct investments.

The Malaysian Government will implement the New Investment Incentive Framework (NIIF), which was initially announced in Budget 2025. According to Budget 2026, NIIF implementation for the manufacturing sector will commence in the first quarter of 2026, followed by the services sector in the second quarter of 2026, aiming to attract high-value investments and bolster economic resilience amid shifting global trade dynamics.



BEPS 2.0 updates

- Income Inclusion Rule: Effective from 1 January 2025
- Qualified Domestic Minimum Top-up Tax: Effective from 1 January 2025
- Undertaxed Payments Rule: To be confirmed


Incentive spotlight (Top 3)

Incentive name	Brief description
Pioneer Status 	<p>Companies undertaking promoted activities or manufacturing promoted products by the Malaysian Government may be eligible for income tax exemption up to 100% for up to 5 or 10 years.</p> <p>Only applicable for companies undertaking promoted activities or manufacturing promoted products. Projects with the following features may be viewed more favourably:</p> <ul style="list-style-type: none"> • High capital investments. • High-level technology. • Significant impact on local economy. • R&D activities <p>Maximum Incentive Benefit: Corporate income tax exemption of either 70% or 100% for a period of five or 10 years, depending on the industry.</p> <p>The Malaysian Government may impose certain conditions on the approval such as fixed asset investment, annual operational expenditure, manpower ratios, value-add percentage and local vendor development.</p> <p>Pioneer Status and Investment Tax Allowance are mutually exclusive.</p>

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Investment tax allowance</p> 	<p>Companies undertaking promoted activities or manufacturing promoted products by the Malaysian Government may be eligible for investment tax allowance up to 60/100% on qualifying expenditure for up to 5/10 years to be offset against up to 70/100% of statutory income.</p> <p>Only applicable for companies undertaking promoted activities or manufacturing promoted products.</p> <p>Projects with the following features may be viewed more favorably:</p> <ul style="list-style-type: none"> • High capital investments. • High-level technology. • Significant impact on local economy. • R&D activities. <p>Maximum incentive benefit</p> <p>Up to 60/100% investment tax allowance on qualifying expenditure for up to 5/10 years to be offset against up to 70/100% of statutory income.</p> <p>The Malaysian Government may impose certain conditions on the approval such as fixed asset investment, annual operational expenditure, manpower ratios, value-add percentage and local vendor development.</p> <p>Pioneer Status and Investment Tax Allowance are mutually exclusive.</p>
<p>Reinvestment Allowance (RA)</p> 	<p>Given to a company which has been operating for not less than 36 months and incurs capital expenditure on a factory, plant or machinery used in Malaysia for the purposes of a qualifying project (i.e., expansion, modernization, automation, or diversification) in respect of manufacturing of a product.</p> <p>Only applies to companies engaged in manufacturing and selected agricultural activities.</p> <p>Maximum incentive benefit</p> <p>Reinvestment allowance claim of 60% on qualifying expenditure for 15 years from first year of claim to be offset against up to 70% of statutory income.</p>

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Tax incentive for Malaysia Digital (MD) status companies</p> 	<p>Malaysia Digital is the new national strategic initiative to encourage and attract companies, talents and investment to play a leading part in the global digital revolution and digital economy. MD status company may be eligible for various types of tax incentives on qualifying intellectual property (IP) income and non-IP income from carrying out qualifying activities. Qualifying activity must address opportunity or problem by utilising promoted tech enablers such as artificial intelligence, internet of things and blockchain.</p> <p>New Investment Incentive: An eligible company that proposes to undertake qualifying activities in Malaysia may choose to apply for reduced tax rate for 10 consecutive years of assessment or investment tax allowance for 5 consecutive years. Reduced tax rate of 10% for non-IP income is available subject to compliance of certain conditions. If the company can meet additional conditions related to sustainable economic development, the tax rate for non-IP income may be further reduced to 5%. To enjoy a reduced tax rate of 0% for IP income, company must comply with “modified nexus approach”. Company may opt for 60% investment tax allowance on qualifying capital expenditure to be offset against up to 100% of statutory income subject to compliance of certain conditions instead of reduced tax rate. If the company can meet additional conditions related to sustainable economic development, it may be eligible for 100% investment tax allowance on qualifying capital expenditure.</p> <p>Expansion Incentive: Existing Malaysia Digital (MD) or Multimedia Super Corridor (MSC) Malaysia Status company that has completed initial incentive and proposes to undertake new qualifying activity in Malaysia may choose to apply for reduced tax rate for 5 consecutive years of assessment or investment tax allowance for 5 consecutive years. Reduced tax rate of 15% for IP and non-IP income is available subject to compliance of certain conditions. Company must meet conditions related to sustainable economic development. In addition, to enjoy reduced tax rate of 15% for IP income, company must comply with “modified nexus approach”. Company may opt for 30% investment tax allowance on qualifying capital expenditure to be offset against up to 100% of statutory income subject to compliance of certain conditions instead of reduced tax rate. If the company can meet additional conditions related to sustainable economic development, it may be eligible for 60% investment tax allowance on qualifying capital expenditure.</p>

Industries most affected by Government incentives in Malaysia:

- Telecom, Media & Entertainment
- Technology
- Consumer Products
- Retail, Wholesale & Distribution
- Automotive
- Transportation, Hospitality & Services
- Oil, Gas & Chemicals
- Industrial Products & Construction
- Banking & Capital markets
- Health Care
- Life Sciences

List of incentives

Innovation

Incentive name	Brief description	Maximum incentive benefit
Research and Development: Investment Tax Allowance (ITA) —R&D Status Companies	R&D status company is eligible for 100% ITA on qualifying expenditure for 10 years and may offset up to 70% statutory income. R&D company provides R&D services in Malaysia to its related companies or any other companies. Only applies to companies undertaking R&D activities. R&D activities are defined in the Promotion of Investments Act 1986.	Investment tax allowance of 100% on qualifying expenditure for 10 years and may offset up to 70% of statutory income.
Research and Development: Investment Tax Allowance (ITA) — In-House R&D	A company performing in-house R&D may be eligible for 50% ITA on qualifying expenditure for 10 years and may offset up to 70% statutory income. In-house R&D refers to R&D for the purpose of its own business. Only applies to companies undertaking R&D activities. R&D activities are defined in the Promotion of Investments Act 1986.	Investment tax allowance of 50% on qualifying expenditure for 10 years and may offset up to 70% of statutory income.
Research and Development: Pioneer Status (PS)—Contract R&D status company	Contract R&D status company may be eligible for income tax exemption of 100% of the statutory income for 5 years. Unabsorbed losses after the end of the PS period are allowed to be carried forward for 7 consecutive years of assessments. Contract R&D company provides R&D services in Malaysia only to companies other than its related companies. Only applies to companies undertaking R&D activities. R&D activities are defined in the Promotion of Investments Act 1986.	Income tax exemption of 100% on statutory income for 5 years.
Research and Development: Investment Tax Allowance (ITA) — Contract R&D status company	Contract R&D status company may be eligible for 100% ITA on qualifying expenditure for 10 years and may offset up to 70% statutory income. Contract R&D company provides R&D services in Malaysia only to companies other than its related companies.	Investment tax allowance of 100% on qualifying expenditure for 10 years and may offset up to 70% of statutory income.

Investment

Incentive name	Brief description	Maximum incentive benefit
Incentive for Reinvestment under New Industrial Master Plan 2030 (NIMP)	Companies which have exhausted their existing reinvestment allowance under the Schedule 7A of the Income Tax Act, 1967 and undertake expansion or diversification project in manufacturing sector may be eligible for up to 100% ITA to be offset against up to 100% of statutory income, based on outcome approach (Tier 1 and Tier 2) set by the Malaysian Government. An application must be made from 1 January 2024 until 31 December 2028.	Outcome-based approach: Tier 1—Investment tax allowance of 100% on qualifying expenditure (excluding land cost) to be offset against 100% of statutory income for 5 years. Tier 2—Investment tax allowance of 60% on qualifying expenditure (excluding land cost) to be offset against 70% of statutory income for 5 years.
New Automation Capital Allowance (Automation CA)	Companies that have been engaged in manufacturing / services activities for at least 36 months and incur capital expenditure on automation machinery / equipment including machinery / equipment / software / system with adaptation of Industry 4.0 may be eligible for Automation CA.	Automation CA of 200% on the first RM10 million expenditure incurred within the year of assessment from 2023 to 2027.

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Green Investment Tax Allowance (GITA) Asset for own consumption	<p>Investment tax allowance up to 100% (based on tiers) on qualifying expenditure to be offset against 70% of statutory income for companies that acquire qualifying green technology assets from 1 January 2024 to 31 December 2026 which have been verified by Malaysian Green Technology and Climate Change Centre (MGTC).</p> <p>Based on Budget 2026, it is proposed that 100% ITA (for own consumption) to be granted to companies that use green technology products locally manufactured with MYHIJAU Mark.</p> <p>The effective date to be determined via a subsidiary legislation.</p>	<p>Tier 1—GITA of 100% on qualifying expenditure to be offset against 70% of statutory income.</p> <ul style="list-style-type: none"> List of qualifying assets approved by the Minister of Finance Battery Energy Storage System Green building <p>Tier 2—GITA of 60% on qualifying expenditure to be offset against 70% of statutory income.</p> <ul style="list-style-type: none"> List of qualifying asset approved by the Minister of Finance Renewable Energy System Energy efficiency
Green Investment Tax Allowance projects for business purpose	<p>Investment tax allowance of 100% on qualifying expenditure up to 10 years to be offset against up to 100% of statutory income (based on tiers) for companies that undertake qualifying green technology projects for business purpose.</p>	<p>Tier 1—GITA of 100% on qualifying expenditure to be offset against 100% or 70% of statutory income for up to 10 years.</p> <ul style="list-style-type: none"> Green Hydrogen <p>Tier 2—GITA of 100% on qualifying expenditure to be offset against 100% of statutory income for 5 years.</p> <ul style="list-style-type: none"> Integrated waste management Electric Vehicle charging station <p>Tier 3—GITA of 100% on qualifying expenditure to be offset against 70% of statutory income for 5 years.</p> <ul style="list-style-type: none"> Biomass Biogas Mini hydro Geothermal Solar Wind energy
Green Income Tax Exemption (GITE) for solar leasing activities	<p>Income tax exemption of 70% may be given to qualifying companies which provides solar leasing services which been verified by Sustainable Energy Development Authority (SEDA) and been listed under the Registered Solar PV Investor (RPVI) Directory.</p> <p>An application must be made from 1 January 2024 until 31 December 2026.</p>	<p>Tier >3MW - ≤10MW : 70% tax exemption on statutory income for 5 years.</p> <p>Tier >10MW - ≤30MW: 70% tax exemption on statutory income for 10 years.</p>

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Carbon capture and storage (CCS): in-house activities	Investment tax allowance of 100% on qualifying expenditure for 10 years to be offset against up to 100% of statutory income. Full import duty and sales tax exemption on equipment for CCS technology.	1. ITA of 100% of qualifying capital expenditure for a period of 10 years. The allowance can be set-off against up to 100% of business statutory income; 2. Full import duty and sales tax exemption on equipment used for CCS technology commencing on 1 January 2023 until 31 December 2027; and 3. Tax deduction for allowable pre-commencement expenses within 5 years from the date of commencement of operation.
Companies undertaking CCS services	Investment tax allowance of 100% on qualifying expenditure for 10 years to be offset against up to 100% of statutory income. Full import duty and sales tax exemption on equipment for CCS technology. or Income tax exemption of 70% for 10 years. Full import duty and sales tax exemption on equipment for CCS technology.	1. ITA of 100% of qualifying capital expenditure for a period of 10 years. The allowance can be set-off against up to 100% of statutory income; or 2. Tax exemption of 70% on statutory income for a period of 10 years; and 3. Full import duty and sales tax exemption on equipment used for CCS technology starting 1 January 2023 until 31 December 2027.

Others

Incentive name	Brief description	Maximum incentive benefit
Global Services Hub	Companies (new or existing) undertaking qualifying services to establish Malaysia as a strategic services hub may be eligible for preferential income tax rates based on outcome-based approach. An application must be made from 14 October 2023 until 31 December 2027.	New company Tier 1—5% tax rate for up to 10 years. Tier 2—10% tax rate for up to 10 years. Existing company Tier 1—5% tax rate on value-added income for 5 years. Tier 2—10% tax rate on value-added income for 5 years. Types of income exempted: <ul style="list-style-type: none"> • Services income; or • Services and trading income.
Bionexus status company: income tax exemption	Companies undertaking biotechnology activities that have been approved for “bionexus status” by the Malaysian Bioeconomy Corporation may qualify for an income tax exemption of 100% of statutory income for up to 10 years. Upon expiry of tax exempt period, company may be eligible for concessionary tax rate of 20% for 10 years.	1. 100% income tax exemption on non-IP income for 10 consecutive years of assessment from first year of assessment the company derives its statutory income from the new business, or for 5 consecutive years of assessment from first year of assessment the company derives its statutory income upon completion of expansion project. 2. Concessionary tax rate of 20% on statutory income from non-IP of approved qualifying activity, for a period of 10 consecutive years of assessment upon the expiry of the income tax exemption. 3. Industrial Building Allowance (IBA) on qualifying expenditure used solely for the purpose of a new business or expansion project for a period of 10 years of assessment. 4. Exemption of import duty and sales tax on imported raw materials/components and machinery and equipment. 5. Double deduction on expenditure incurred for R&D. 6. Double deduction on expenditure incurred for the promotion of exports.

Others

Incentive name	Brief description	Maximum incentive benefit
Bionexus status company: investment tax allowance	Companies undertaking biotechnology activities that have been approved for “bionexus status” by the Malaysian Bioeconomy Corporation may qualify for investment tax allowance of 100% on qualifying expenditure for 5 years to be offset against 100% of statutory income. Upon expiry of tax exempt period, company may be eligible for concessionary tax rate of 20% for 10 years.	1. ITA of 100% on qualifying capital expenditure (QCE) incurred within a period of 5 years from the date the first QCE is incurred. This allowance can be off-set against a maximum of 70% of statutory income from a new business or expansion project. 2. Concessionary tax rate of 20% on statutory income from non-IP of approved qualifying activity, for a period of 10 consecutive years of assessment upon the expiry of the income tax exemption. 3. IBA on qualifying expenditure used solely for the purpose of a new business or expansion project for a period of 10 years of assessment. 4. Exemption of import duty and sales tax on imported raw materials/components and machinery and equipment. 5. Double deduction on expenditure incurred for R&D. 6. Double deduction on expenditure incurred for the promotion of exports.
Special economic regions e.g., <ul style="list-style-type: none"> • East Coast Economic Region (ECER), • Northern Corridor Economic Region (NCER), • Sarawak Corridor of Renewable Energy (SCORE), • Sabah Development Corridor (SDC), • Iskandar Malaysia etc. 	Each special economic region has different incentives available, examples include: <ul style="list-style-type: none"> • Income tax exemption on statutory income. • Investment tax allowance on qualifying expenditure. • Import duty and sales tax exemption on raw materials, components, machinery, and equipment. • Stamp duty exemption for land acquired. 	Companies that carry on a qualifying activity in the relevant region/location may be eligible for up to 100% income tax exemption on statutory income for up to 15 years or up to 100% Investment Tax Allowance (ITA) on qualifying expenditure for up to 10 years to be offset against up to 100% of statutory income, and other various incentives, subsidies, and grants.
Johor-Singapore Special Economic Zone (JS-SEZ)	There are different incentive packages available for: <ol style="list-style-type: none"> 1. Manufacturing business incentive scheme: <ul style="list-style-type: none"> • AI and Quantum Computing Supply Chain; • Medical Devices; • Pharmaceutical; or • Aerospace • Manufacturing and MRO Services 2. Global services hub: <ul style="list-style-type: none"> • Regional P&L • Strategic Business Planning; • Corporate Development; and • Regional or Global Treasury and Fund Management conducting cash pooling activities via onshore intermediaries. 3. Integrated Tourism Project 4. Smart Logistics Complex: <ul style="list-style-type: none"> • Regional Distribution Hub; • Integrated Logistic Services; • Dangerous Goods Storage; and • Cold Chain Facilities 	<ol style="list-style-type: none"> 1. Manufacturing business incentive scheme <ul style="list-style-type: none"> • New company may enjoy tax rate of 5% or 10% for 15 years or 10 years with new investment in the manufacturing sector with capital investment (excluding land) above RM1 billion or between RM500 million to RM1 billion • Existing company may enjoy ITA of 100% on qualifying capital investment (excluding land) for a period of 5 years. The allowance can be set-off against up to 100% of statutory income 2. Global Service Hub <ul style="list-style-type: none"> • Company can enjoy special tax rate of 5% for a period up to 15 years 3. Integrated Tourism Project <ul style="list-style-type: none"> • ITA of 100% of qualifying capital expenditure for a period of 5 years. The allowance can be set-off against up to 70% of statutory income 4. Smart logistics complex <ul style="list-style-type: none"> • ITA of 100% of qualifying capital expenditure for a period of 5 years. The allowance can be set-off against up to 100% of statutory income

Others

Incentive name	Brief description	Maximum incentive benefit
Johor-Singapore Special Economic Zone (JS-SEZ)	<p>5.Manufacturing - Downstream Specialty Chemicals:</p> <ul style="list-style-type: none"> • Base chemical – methanol, ethylene, propylene, benzene, aromatics; • Organics intermediates – C1 to C6; • Specialty chemical; • Fertilisers; • Polymers/plastics; or • Oleochemical / biochemical <p>6.Additional incentives An application must be made from 1 January 2025 until 31 December 2034.</p>	<p>5.Manufacturing – downstream specialty chemicals for a company with capital investment (excluding land) of RM500 million and above</p> <ul style="list-style-type: none"> • Special tax rate <ul style="list-style-type: none"> – Tier 1: 5% of tax rate for up to 10 years – Tier 2: 10% of tax rate for up to 10 years OR • ITA <ul style="list-style-type: none"> – Tier 1: ITA of 100% on qualifying capital investment for a period up to 10 years. The allowance can be set-off against up to 100% of statutory income - Tier 2: ITA of 60% on qualifying capital investment for a period up to 10 years. The allowance can be set-off against up to 100% of statutory income – Tier 2: ITA of 60% on qualifying capital investment for a period up to 10 years. The allowance can be set-off against up to 100% of statutory income <p>6.Additional incentives</p> <ul style="list-style-type: none"> • 40% of stamp duty exemption on the instrument of transfer/ financing agreement for the purchase of a commercial property in Flagship A (Johor Bahru Waterfront) and B (Iskandar Puteri) that remains unsold as at 31st December 2024 • A deduction equivalent to amount not exceeding RM1 million for each year of assessment in respect of cash contribution or contribution in-kind to hallmark event. • ACA with IA 20% and AA 40% in respect of renovation costs incurred on a building or part of a commercial building located in Flagship A-G
Halal industry players within designated halal parks (HALMAS status)	<p>New companies producing prescribed halal products</p> <ul style="list-style-type: none"> • 100% tax exemption on qualifying expenditure for 10 years, or tax exemption on export sales for 5 years. • Double deduction for costs in obtaining international quality standard certification. • Import duty exemption on raw materials used for development and production of halal promoted products. <p>Halal park operators (HALMAS status)</p> <ul style="list-style-type: none"> • 100% tax exemption for 10 years, or 100% tax exemption on qualifying expenditure for 5 years. • Import duty exemption on equipment, components and machinery used in cold room operations. <p>Halal logistics operators</p> <ul style="list-style-type: none"> • 100% tax exemption for 5 years, or 100% tax exemption on qualifying expenditure for 5 years. • Import duty exemption on equipment, components and machinery used in cold room operations. 	
Halal food production outside halal parks	<p>Halal food production companies operating outside halal parks may be eligible for investment tax allowance of 100% on qualifying expenditure for 5 years to be offset against 100% of statutory income.</p>	

Others

Incentive name	Brief description	Maximum incentive benefit
Activities under Digital Ecosystem Acceleration System (DESAC)	<p>Digital infrastructure provider may be eligible for: (a) New company—Tax rate of 10% to 15% for a period of up to 10 years or ITA of 60%/100% on qualifying capital investment (excluding land) to be offset against up to 100% statutory income for a period up to 10 years (b) Existing company — ITA of 60%/30% on qualifying capital investment (excluding land) to be offset against up to 70% statutory income for 5 years.</p> <p>An application must be made from 1 January 2022 until 31 December 2027.</p>	<p>New company</p> <p>Tier 1—ITA of 100% on qualifying expenditure to be offset against 100% of statutory income for a period of 5 or 10 years.</p> <p>Tier 2—ITA of 60% on qualifying expenditure to be offset against 100% of statutory income for a period of 5 or 10 years.</p> <p>OR</p> <p>Tier 1—Special Tax Rate of 10% on statutory income (not including IP income for a period of 5 or 10 years).</p> <p>Tier 2—Special Tax Rate of 15% on statutory income (not including IP income for a period of 5 or 10 years).</p> <p>Existing company</p> <p>Tier 1—ITA of 60% on qualifying expenditure to be offset against 70% of statutory income for a period of 5 years.</p> <p>Tier 2—ITA of 30% on qualifying expenditure to be offset against 70% of statutory income for a period of 5 years.</p>
Smart Logistics Complex (SLC)	<p>Investment tax allowance of 60% on qualifying capital expenditure for 5 years to be offset against up to 70% of statutory income for new or existing smart warehouse investor and operator carrying out qualifying logistic services.</p> <p>An application must be made from 1 January 2025 until 31 December 2027.</p>	<p>ITA of 60% of qualifying capital expenditure for a period of 5 years. The allowance can be set-off against up to 70% of business statutory income.</p>
Food Security Projects	<p>Companies undertaking new / expansion projects may be eligible for 100% income tax exemption**.</p> <p>**This is only given to income derived from domestic sales.</p> <p>An application must be made to Ministry of Agriculture and Food Security (MAFS) from 1 January 2026 until 31 December 2030.</p>	<p>New project</p> <ul style="list-style-type: none"> Income tax exemption of 100% on statutory income for 10 years of assessment. <p>Expansion project</p> <ul style="list-style-type: none"> Income tax exemption of 100% on statutory income for 5 years of assessment.



Philippines

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Country background

In general, the standard CIT rate in the Philippines is 25%. However, corporations with total assets not exceeding PHP 100 million and a total net taxable income not exceeding PHP 5 million will be taxed at a rate of 20%. In addition, there is a minimum corporate income tax (MCIT) imposed on a corporation’s gross income if CIT (at 25%) is less than 2% MCIT on gross income, beginning in the fourth taxable year (following the year of commencement of business operations).

The Board of Investments’ (BOI) targeted industries in 2024 include: Technology, Consumer Products, Retail, Wholesale & Distribution, Automotive, Transportation Hospitality & Services, Power & Utilities, Oil, Gas & Chemicals, Industrial Production & Construction, Healthcare, Social Care, Defense, Security & Justice, and Transport.

BEPS 2.0 updates


As of 20 August 2025, the Philippines is a member of the inclusive framework on BEPS 2.0. There are no local implementations of the following at this time.

- Income Inclusion Rule
- Qualified Domestic Minimum Top-up Tax
- Undertaxed Payments Rule

Incentive spotlight (Top 3)

Incentive name	Brief description
 Income Tax Holiday (ITH)	This incentive supports businesses carrying out qualifying projects in certain qualifying industries. Depending on the location and industry tier, businesses can enjoy an exemption from their income tax of up to 7 years.
 5% Special Corporate Income Tax (SCIT)	This incentive supports export-only companies operating in certain qualifying industries and carrying out qualifying activities. Qualifying businesses can enjoy a concessionary tax rate of 5% on their gross income, with deductions limited to direct costs, in lieu of national and local taxes, including fees and charges. Depending on which location a qualifying company intends to carry out its qualifying activities, the industry tier of its qualifying activities, and the approving entity (e.g. Investment Promotions Agencies (IPAs) or Fiscal Incentives Review Board (FIRB), the company can receive: <ol style="list-style-type: none"> i) On projects approved by the IPAs: Up to 10 years of 5% SCIT after the lapse of ITH entitlement. If the company elects to forgo the ITH entitlement, then up to 17 years of 5% SCIT; or ii) On projects approved by the FIRB: Up to 20 years of 5% SCIT after the lapse of ITH entitlement. If the company elects to forgo the ITH entitlement, then up to 27 years of 5% SCIT.

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Enhanced deductions</p> 	<p>This incentive supports both export-oriented and domestic market companies operating in certain qualifying industries and carrying out qualifying activities. Qualifying businesses can enjoy tax deductions under various cost categories (e.g., manpower, R&D, power and utilities, etc.).</p> <p>Potential benefits include:</p> <ul style="list-style-type: none"> i) Depreciation allowance of the assets acquired for the entity's production of goods and services (qualified capital expenditure) — additional ten percent (10%) for buildings; and additional twenty percent (20%) for machineries and equipment; ii) Fifty percent (50%) additional deduction on the labor expense incurred in the taxable year; iii) One hundred percent (100%) additional deduction on research and development expense incurred in the taxable year; iv) One hundred percent (100%) additional deduction on training expense incurred in the taxable year; v) Fifty percent (50%) additional deduction on domestic input expense incurred in the taxable year; vi) One hundred percent (100%) additional deduction on power expense incurred in the taxable year; vii) Deduction for reinvestment allowance to manufacturing and tourism industries — When a manufacturing or tourism RBE reinvests its undistributed profit or surplus in manufacturing or tourism projects/activities, respectively, listed in the SIPP, no more than fifty percent (50%) of the amount reinvested shall be allowed as a deduction from its taxable income within a period of five (5) years from the time of such reinvestment until 31 December 2034; viii) Fifty percent (50%) additional deduction on expenses relating to exhibitions, trade missions, or trade fairs; and ix) Enhanced Net Operating Loss Carry-Over (NOLCO). — The net operating loss of the registered project or activity during the first three (3) years from the start of commercial operation, which had not been previously offset as deduction from gross income, may be carried over as deduction from gross income within the next five (5) consecutive taxable years immediately following the last year of the ITH entitlement period of the project. x) Reduced regular corporate income tax rate under enhanced deduction regime from 25% to 20% <p>Enhanced deductions can be availed for periods similar to those provided for the SCIT (e.g., up to 10 or 17 years, or up to 20 or 27 years). However, it cannot be availed simultaneously with the SCIT.</p>

Industries most affected by Government incentives in the Philippines:

- Technology;
- Consumer products;
- Retail, wholesale & distribution;
- Automotive;
- Transportation, hospitality & services;
- Power & utilities;
- Oil, gas & chemicals;
- Industrial products & construction;
- Healthcare;
- Health & social care;
- Defense, security & justice; and
- Transport.

List of incentives

Investment

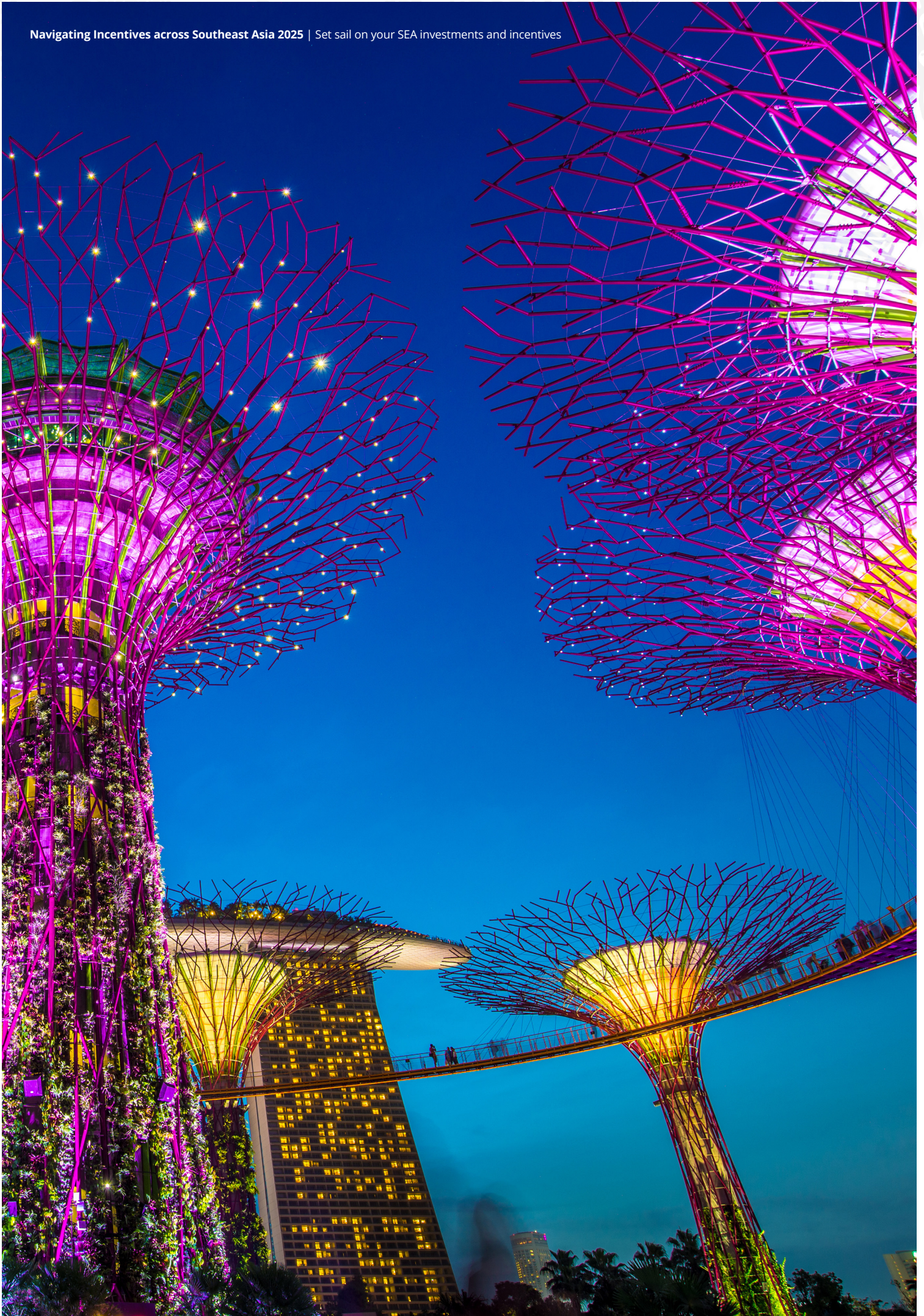
Incentive name	Brief description	Maximum incentive benefit
VAT and import incentives	This incentive supports businesses involved in importations that are directly attributable to the registered project/business activity in certain qualifying industries.	Businesses/companies with registered and qualifying projects/business activities can enjoy: <ul style="list-style-type: none"> (i) VAT exemption on importations directly attributable to the registered project/business activity; or (ii) VAT zero-rating on local purchases directly attributable to the registered project/business activity; or (iii) Tax and duty-free importation of capital equipment, raw materials, spare parts, or accessories directly attributable to the registered project/business activity

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Projects and business activities related to sustainability may be eligible for all the incentives in Philippines, subject to requirements and approvals.		

Others

Incentive name	Brief description	Maximum incentive benefit
Domestic Sales Allowance	This incentive supports businesses involved in importations that are directly attributable to the registered project/business activity in certain qualifying industries.	Qualifying businesses may enjoy up to 30% of domestic sales allowance, subject to approval and additional reportorial requirements.
Employment of Foreign Nationals	This incentive supports companies looking to employ foreign nationals for supervisory, technical, or advisory positions in certain qualifying industries.	Under this incentive, qualifying companies can enjoy the issuance of special non-immigrant visa with multiple entry privileges for foreign investors and immediate family members.



Singapore

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Country background

In general, the standard Corporate Income Tax (“CIT”) rate in Singapore is 17%. In view of international tax developments, particularly the domestic top-up tax (DTT) and income inclusion rule (IIR), that came into effect from 1 January 2025, the Singapore government has been in close consultation with industry players and tax professionals to refine its incentive toolkit and measures to maintain the city-state’s competitiveness.




In the Singapore Economy 2030 vision, the Singapore government aims to pursue a steady and sustainable growth through the four key pillars—Manufacturing, Trade, Services and Enterprise, each with ambitious goals to position Singapore as a global hub for business, innovation, and talent by 2030.

The range of incentives available in Singapore is targeted to unlock new growth opportunities through establishing a digital economy as well as a green economy, and to support innovation, adoption of Artificial Intelligence (AI) technologies, capability training, internationalisation, and partnerships.

BEPS 2.0 updates

- **Income Inclusion Rule:** Effective from 1 January 2025
- **Qualified Domestic Minimum Top-up Tax:** Effective from 1 January 2025
- **Undertaxed Payments Rule:** To be confirmed.

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Development and Expansion Incentive (DEI)</p> 	<p>This incentive is applicable to entities incorporated or registered in Singapore for new investment, expansion plans, major upgrading of equipment or operations. Qualifying businesses are entitled to reduced tax rate of 5%, 10% or 15% on incremental income from qualifying activities. IP income will no longer be incentivised under new DEI awards approved from 1 July 2018, and the exclusion of IP income will follow grandfathering timelines based on international standards.</p>
<p>Refundable Investment Credit (RIC)</p> 	<p>To encourage companies to make sizeable investments that bring substantive economic activities to Singapore, in key economic sectors and new growth areas. It supports value-adding activities relating to innovation, increasing productivity, digitalisation and decarbonisation.</p> <p>The RIC is awarded on qualifying expenditures incurred by the company in respect of a qualifying project, during the qualifying period. Each RIC award will have a qualifying period of up to 10 years.</p> <p>The quantum of RIC that a company can receive will depend on the support rates (up to 50%) predetermined for the company's different qualifying expenditure categories. The credits are to be offset against Corporate Income Tax payable. Any unutilised credits will be refunded to the company in cash within four years from when the company satisfies the conditions for receiving the credits.</p>
<p>Enterprise Innovation Scheme (EIS)</p> 	<p>To encourage businesses to engage in R&D, innovation and capability development activities, the following suite of tax measures were introduced or enhanced under the EIS.</p> <p>There are 5 qualifying activities under the EIS:</p> <ol style="list-style-type: none"> 1. Qualifying R&D activities undertaken in Singapore 2. Registration of Intellectual Property 3. Acquisition & Licensing of IPRs 4. Training/Upskilling of employees 5. Innovation projects with partner institutions <p>Eligible businesses may enjoy up to 400% tax deductions on qualifying expenses from the abovementioned qualifying activities undertaken, with the option to convert to cash payout (capped at S\$20,000).</p>

Industries Most Affected by Government Incentives in Singapore:

- Technology;
- Telecom, Media & Entertainment;
- Consumer products;
- Retail, wholesale & distribution;
- Automotive;
- Transportation, hospitality & services;
- Oil, gas & chemicals;
- Healthcare;
- Banking & Capital Markets;
- Investment Management;
- Health Care; and
- Life Sciences.



List of incentives
Investment

Investment—Manufacturing & Services

Incentive name	Brief description	Maximum incentive benefit
Pioneer Certificate (PC) Incentive	This incentive is applicable to companies carrying out projects that are very strategic with pioneering activities on a significant scale that generate tangible economic spin-offs.	Tax exemption on income generated from approved pioneering activities
Investment Allowance (IA)	This incentive supports businesses to make capital investments in plant and productive equipment in Singapore, the IA scheme will be extended till 31 December 2028.	Allowance (on top of normal capital allowance) on a percentage of approved fixed capital expenditure.
Land Intensification Allowance (LIA)	This incentive supports qualifying capital expenditure incurred for the construction or renovation/ extension of a qualifying building or structure.	Initial allowance of 25% and annual allowance of 5% on qualifying expenditure
Approved Foreign Loan (AFL) Incentive	This incentive supports interest payments on loans taken to purchase productive equipment.	Reduced or nil withholding tax rates on interest payments for approved foreign loans
Aircraft Leasing Scheme (ALS) Incentive	These incentives encourage companies to develop aircraft leasing capabilities and grow the aircraft leasing industry in Singapore.	8% or 10% Concessionary tax rate on qualifying income.
Aircraft Investment Manager (AIM) Incentive		10% Concessionary tax rate on qualifying income.



Investment – Headquarters/ Internationalisation

Incentive name	Brief description	Maximum incentive benefit
International Headquarters (IHQ) Award	This incentive supports headquarter activities for companies that commit to anchor substantive headquarter activities in Singapore to manage, coordinate and control regional business operations. It is generally awarded with the Pioneer Certificate (PC) Incentive or the Development and Expansion Incentive (DEI).	Tax exemption or concessionary tax rate of 5%, 10%, or 15% on qualifying HQ income.
SEA Manufacturing Alliance (SMA) incentive	This incentive allows manufacturers to twin the complementary strengths of different SEA locations to further expand their production bases in SEA and achieve supply chain diversification.	Eligible manufacturers may apply for a differentiated tier of benefits from the local government authorities and SMA partners, including grants, differentiated prices on lease and logistics, assistance with setup and optimisation of operations, etc.
Corporate Venture Launchpad 3.0	This incentive supports established multinational companies, large local enterprises, regional family businesses and high growth companies in Singapore to drive venture creation and startup partnerships.	Up to 50% co-funding for eligible companies, pre- and post-sprint support from select venture studios and startups and access to industry networks
Tax Rebate on Listing on Singapore Exchange (SGX)	This incentive provides a tax rebate for Singapore-based companies or registered business trusts that complete a new listing on Singapore exchange.	Eligible companies receive a corporate income tax rebate of 20% for primary listings and 10% for secondary listings, capped at S\$6M per year for companies with a market capitalization of S\$1 billion dollars or more, and S\$3M/ year for smaller companies.
Global Founder Programme	This supports experienced founders worldwide, including Singaporeans, to launch and scale high-potential ventures from Singapore through tailored resources, exclusive networks, streamlined business setup, hiring support, and expert growth facilitation.	Comprises a suite of resources and tools to help founders access Singapore's ecosystem, accelerate their venture growth, and expand into new markets.
Merger and Acquisitions (M&A) Scheme	This incentive is granted to a company that acquires the ordinary shares of another company.	Allowance claim over 5 years and a 300% tax deduction on transactions costs incurred on qualifying acquisitions.

Investment – Trading/ Shipping

Incentive name	Brief description	Maximum incentive benefit
Global Trader Programme (GTP)	This incentive supports physical trading, brokering of physical trades and trading in future and derivatives (including structured commodity financing).	Reduced tax rate of 5%, 10% or 15% on qualifying income.

Investment – Finance & Treasury

Incentive name	Brief description	Maximum incentive benefit
Finance & Treasury Centre (FTC) Incentive	This incentive encourages companies to grow treasury management capabilities and use Singapore as a base for conducting strategic finance and treasury management activities.	<ul style="list-style-type: none"> Reduced tax rate of 8% or 10% on income from qualifying FTC services/ activities. Withholding tax exemption on interest payments to non-resident banks, financial institutions and approved network companies.
Financial Sector Incentive (FSI)	This incentive supports qualifying banking and financial activities, headquarters and corporate services, fund management, and investment advisory services.	Reduced tax rate of 10%, 13.5%, and 15% on qualifying income.

Innovation, R&D, and IP Management

Incentive name	Brief description	Maximum incentive benefit
Intellectual Property Development Incentive (IDI)	<p>This incentive encourages the use and commercialization of IP rights (IPRs) arising from R&D activities in Singapore.</p> <p>Qualifying IP income means royalties or other income receivables as consideration for the commercial exploitation of an elected qualifying IPR.</p> <p>Qualifying IPR means any patent or patent application, and any copyright subsisting in software. Qualifying IPRs that are interlinked such that it is not possible to identify income/ expenditure of such IPRs to each qualifying IPRs can be grouped into families of IPRs.</p>	Reduced tax rate of 5%, 10% or 15% on a percentage of qualifying IP income derived, as determined by the modified nexus approach capped at 100%.
Approved Royalties Incentive (ARI)	This incentive encourages transfer of cutting-edge technology and know-how to Singapore, by providing exemption or reduction in withholding tax on royalty payments made to access advanced technology and know-how.	Tax exemption or reduced withholding tax rates on approved royalty payments to access advanced technology and know-hows.
Research & Innovation Scheme for Companies (RIS-C)	This incentive supports the development of R&D capabilities and technologies, in areas of science and technology, and the establishment of centers of competence in Singapore. This also supports the development of capabilities in the innovation of products, processes and applications.	Co-funding of qualifying R&D project expenditure including manpower cost for qualifying personnel, equipment, materials and consumables.
Writing-down allowances for IP acquisition (S19B)	<p>This incentive supports the enhancement of Singapore's attractiveness as a location for businesses to hold and commercialize IPRs. Companies can claim written-down allowances on capital expenditure incurred to acquire IPRs for use in their trade or business, up to the last day of the basis period for the Year of Assessment.</p> <p>The Singapore Economic Development Board's (EDB's) approval is required if only economic ownership of IP rights is acquired.</p>	5, 10, or 15 year write-down if both legal and economic ownership of IP are acquired.
Tax Deduction on Cost-Sharing Agreement (CSA) Payments for Innovation Projects	This incentive supports companies with substantive innovation and profit centre responsibilities in Singapore.	100% tax deduction will be granted for payments under an approved CSA for innovation activities.

Capability Development

Incentive name	Brief description	Maximum incentive benefit
Training Grant for Company (TGC)	<p>This grant encourages firm-level manpower capability (including technical and leadership capabilities) development and the development of talent across all levels.</p> <p>Higher support costs may be awarded for training programs that develop capabilities assessed to be industry critical.</p>	<ul style="list-style-type: none"> • Co-funding up to 50% of qualifying costs, such as: <ul style="list-style-type: none"> - Basic salaries of trainees - Cost of living allowances for trainees' overseas training - Airfare for trainees' overseas training
Partnerships for Capability Transformation (PACT)	<p>This scheme co-funds costs incurred by original equipment manufacturers (OEMs) and their suppliers to validate the supplier's procedure compliance with the OEM's requirement. The scheme also provides wage support for managers hired by the OEMs to undertake supplier identification, procurement and setting up of manufacturing/ quality systems.</p> <p>The scope of the PACT scheme has been recently enhanced to include activities such as capability training, internationalization, and corporate ventures.</p>	<p>Up to 70% of total project costs consisting of manpower cost for qualifying personnel, hardware and equipment, materials and consumables, software and professional services.</p>
Enterprise Development Grant (EDG)	<p>The Enterprise Development Grant supports projects that help upgrade, innovate, grow and transform businesses.</p> <p>EDG funds qualifying project costs namely third-party consultancy fees, software and equipment and internal manpower cost.</p>	<ul style="list-style-type: none"> • Co-funding up to 50% to support Singapore companies in the upgrading of business capabilities, innovation, and internationalization. • From 1 April 2023 to 31 March 2026, sustainability-related projects may be supported at up to 70%.
Capability Transfer Programme (CTP)	<p>This incentive supports pervasive innovation and builds deep capabilities in our local workforce. It aims to improve local-foreign workforce complementarity, by facilitating transfer of capabilities from foreign specialists to locals.</p>	<p>Co-funding on:</p> <ul style="list-style-type: none"> • Salary costs for foreign or local specialist fulfilling criteria • Attachment-related costs such as airfare and cost-of-living allowance • Venue costs for foreign specialists conducting training in Singapore (for industry-level projects) • Equipment costs (for industry-level projects)

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Investment Allowance for Emissions Reduction (IA-ER)	This incentive supports companies in improving their energy efficiency and includes investments in equipment that result in measurable and verifiable reductions in greenhouse gas emissions.	<ul style="list-style-type: none"> Additional allowance of up to 100% of qualifying capital expenditure on top of normal capital allowance
Resource Efficiency Grant for Emissions (REG-E)	<p>This incentive supports manufacturing facilities and data centers to undertake projects that improve their energy efficiency and other forms of eligible emissions reduction, to sustain competitiveness in a low-carbon future. It encourages businesses to improve energy efficiency and reduce carbon emissions or non-CO2 greenhouse gases.</p> <p>Projects must be undertaken in an industrial facility involved in manufacturing or data center activities in Singapore.</p>	<ul style="list-style-type: none"> Co-funding of up to 50% of qualifying costs (e.g. equipment, materials and consumables, technical software and professional services costs). Total amount of grant support will correspond to the total amount of carbon abatement.
Energy Efficiency Fund (E2F)	<p>This incentive supports manufacturing companies, including small and medium sized enterprises and aims to improve energy efficiency.</p> <p>Projects must involve the installation and use of energy efficient equipment or technologies with a proven track record of energy savings in an industrial facility.</p>	Pre-approved energy efficient technologies will be eligible for a fixed 70% support of qualifying costs, subject to a cap per facility based on the types of energy efficient technologies.
Energy Efficiency Grant (EEG)	This incentive supports businesses to improve their energy efficiency by co-funding investment in energy-efficient (EE) equipment.	<p>2 tiers of support available:</p> <ul style="list-style-type: none"> - Base tier: Up to S\$30,000 for Pre-approved EE equipment. The Singapore government will support up to 70% and up to 30% for SMEs and non-SMEs respectively until 31 March 2026. - Advanced tier (only available for Manufacturing Sector): Up to S\$350,000 across base and enhanced tiers. EE Equipment must demonstrate energy savings above 350 tonnes of lifetime carbon abatement. Grant quantum computed based on EE equipment's expected lifetime energy savings.
Sustainability Reporting Grant	This incentive supports large companies with annual revenue of at least S\$100 million to prepare their first sustainability report to meet mandatory climate-related disclosures.	Up to 30% of qualifying costs, capped at S\$150,000 per company, for the preparation of a company's first sustainability report.
Sustainable Bond Grant Scheme	<p>This incentive promotes the adoption of internationally recognized standards and taxonomies in the issuance of green, social and sustainability bonds in Singapore.</p> <p>Costs incurred in respect of the independent external review done based on any internationally recognized green, social, sustainability, sustainability-linked or transition bond principles, standards or guidance.</p>	Offsets up to S\$125,000 of qualifying expenses incurred for external reviews of eligible green, social, sustainability, sustainability-linked as well as transition bonds

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Sustainable Loan Grant Scheme	<p>This incentive supports eligible businesses to obtain sustainable and transitional financing by defraying the expenses of engaging independent service providers to validate the sustainability credentials of the loan.</p> <p>Qualifying instruments include:</p> <ul style="list-style-type: none"> • Green Loan • Social Loan • Sustainability Loan • Sustainability-Linked Loan • Transition Loan <p>Qualifying loan needs to meet:</p> <ul style="list-style-type: none"> • Loan tenure of at least 3 years • Loan size of at least S\$20 million (or equivalent in another currency). 	Offsets up to S\$125,000 of expenses incurred for external reviews of eligible green, social, sustainability, sustainability linked as well as transition loans.
Enterprise Financing Scheme (EFS) – Green	<p>The scheme supports project developers, system integrators and technology & solution enablers who develop enabling technologies and solutions to reduce waste, resource use or greenhouse gas emissions, especially in the sectors of clean energy, circular economy, green infrastructure, and clean transportation.</p> <p>Companies must meet the criteria for EFS-Green's Qualifying Green Sectors and Activities and Qualifying Borrower Types.</p>	<p>Loan type (maximum loan quantum):</p> <ul style="list-style-type: none"> • Developmental Capital (S\$3 million) • Fixed Assets Loan (S\$30 million) • Trade Loan (S\$10 million) • Project Loan (S\$50 million) • Venture Debt Loan (S\$8 million) • Mergers & Acquisition Loan (S\$50 million)
<p>Water Conservation Incentives:</p> <ul style="list-style-type: none"> • Living Lab (Water) • Industrial Water Solutions Demonstration Fund (IWSDF) • Water Efficiency Assessment • Pilot Study • Recycling/ Use of Alternate Sources of Water • Adoption of Water Efficient Equipment 	<p>These incentives encourage companies (both the technology adopter and technology provider) to implement water technologies through grant support to improve water efficiency and enable realization of overall water savings.</p>	<p>Grants available to support costs arising from the projects such as manpower, training, equipment investment and professional services costs. The amount of support will depend on overall water savings.</p>

Others

Incentive name	Brief description	Maximum incentive benefit
Financial		
Financial Sector Technology Innovation (FSTI) 3.0 Scheme	The Financial Sector Technology and Innovation scheme supports the creation of a vibrant innovation ecosystem for the financial sector, applications open till March 2026.	
<ul style="list-style-type: none"> Centre of Excellence 	To set up Centres of Excellence or Corporate Venture Capital entities (CVC) in Singapore to nurture a culture of innovation in Singapore financial services sector.	Up to 50% co-funding for qualifying expenses and funds.
<ul style="list-style-type: none"> Industry-wide Technological Infrastructure or Utility 	On thematic industry-wide or nation-wide utility projects, for wider adoption of technological/ utility infrastructure which would improve market efficiency, boost productivity, and strengthen risk management capabilities in the financial services sector.	
<ul style="list-style-type: none"> Innovation Acceleration 	To conduct experiments with novel technology and solutions to improve efficiency or productivity of the financial services sector.	
<ul style="list-style-type: none"> Artificial Intelligence and Data Analytics (AI&DA) 	For projects that demonstrate adoption of AI & DA techniques that achieve business objectives of strategy & decision making or insights generation with consideration of workforce impact, as well as applied research projects in AI and DA for Singapore and the Singapore financial sector.	
<ul style="list-style-type: none"> ESG FinTech 	For Singapore-based financial institutions (FIs) to deploy and scale innovative technology solutions to address key challenges in obtaining quality ESG data, efficiently mobilizing capital towards sustainable initiatives and developing and implementing robust net zero transition plans.	
<ul style="list-style-type: none"> Regulatory Technology 	Support to improve the efficiency of FI's risk management and regulatory compliance process using technological solutions.	
Monetary Authority of Singapore (MAS) Regulatory Sandbox	The MAS Regulatory Sandbox is an initiative designed to encourage and enable innovation within the financial sector by providing a conducive environment for FinTech experimentation. The sandbox allows financial institutions and Fintech firms to test new technologies and business models in a controlled and safe space. This grant aims to meet the cashflow needs of eligible Sandbox entities, allowing them to focus resources on technology, human capital and market development even while they are still in the Sandbox.	Eligible applicants can obtain funding of up to S\$400,000 of 50% qualifying expenses. If proposed technology is not yet applied in financial services in Singapore, i.e. first mover, the applicant is eligible to apply for funding under the FSTI – Innovation Acceleration Track within the same Sandbox application.

Others

Incentive name	Brief description	Maximum incentive benefit
Institute of Banking and Finance (IBF) Standards Training Scheme (IBF-STS)	The IBF-STS aims to develop a skilled and competent workforce in the financial sector by providing financial support for industry-recognized training programs under the Skills Framework for Financial Services (SFwFS).	Co-funding to support training and assessment programs that are accredited under the IBF standards. Up to 70% support for direct training costs, subject to a cap of S\$3,000 per participant per program.
Financial		
Financial Training Scheme (FTS)	The FTS by the Institute of Banking and Finance (IBF) in Singapore aims to promote continuous professional development of individuals in the financial sector.	Co-funding of up to 70% support for direct costs, subject to a cap of S\$500 per participant per program.
Maritime, shipping and freight activities		
Maritime Sector Incentive (MSI)	The MSI is an overarching incentive for eligible shipping enterprises to support their businesses in Singapore.	
<ul style="list-style-type: none"> Singapore Registry of Ships (MSI-SRS) 	The MSI-SRS aims to promote the registration of ships under the Singapore flag.	Offers tax exemption or an alternative basis of tax based on the net tonnage of the ships on qualifying income derived from the operation of Singapore ships.
<ul style="list-style-type: none"> Maritime Leasing (MSI-ML) 	The MSI-ML award encourages entities to use Singapore as their capital and funding base to finance their vessels or sea containers. Applicant with a good track record and demonstrable business plan in respect of its ship and container financing operations in Singapore may apply for the MSI-ML award on or before 31 December 2026.	Concessionary tax rate of 10% or an alternative basis of tax based on the net tonnage of the ships for up to 5 years on qualifying leasing or management income.
<ul style="list-style-type: none"> Approved International Shipping Enterprise (MSI-AIS) 	The MSI-AIS award seeks to encourage international ship owners and ship operators to establish their commercial shipping operations in Singapore.	An MSI-AIS company may enjoy tax exemption, or an alternative basis of tax based on the net tonnage of the ships on qualifying shipping income of either: <ul style="list-style-type: none"> A 10-year renewable period; or A 5-year non-renewable period with the option of graduating to 10-year renewable award at the end of the 5-year period, if qualifying conditions met

Others

Incentive name	Brief description	Maximum incentive benefit
<ul style="list-style-type: none"> MSI Shipping-related Support Services (MSI-SSS) Award 	The MSI-SSS award seeks to promote the growth of ancillary shipping service providers and to encourage shipping conglomerates to set up their corporate services functions in Singapore.	An approved MSI-SSS company may enjoy concessionary tax rate of 10% on the incremental income derived from the provisions of the following qualifying approved shipping-related support services for a 5-year renewable period: <ul style="list-style-type: none"> Ship broking; Forward freight agreement trading; Ship management; Ship agency; Freight forwarding and logistics services; and Corporate services rendered to qualifying approved related parties who are carrying on business of shipping-related activities
Maritime, shipping and freight activities		
Withholding Tax (WHT) Exemption	Qualifying shipping enterprises will enjoy WHT exemption on interest and related payments made in respect of arrangements obtained to finance the purchase or construction of vessels, or the purchase of containers and intermodal equipment.	Construction of Ships: This exemption is available to: <ul style="list-style-type: none"> MSI-SRS MSI-AIS MSI-ML (Ships) Construction of Containers: This exemption is available to: <ul style="list-style-type: none"> MSI-ACIE MSI-ACIE (Sister) MSI-ACIE (Local ASPV) <i>ACIE: Approved Container Investment Enterprise</i> <i>ASPV: Approved Special Purpose Vehicle</i>
Maritime Innovation & Technology (MINT) Fund	The objectives of the MINT Fund are to: <ul style="list-style-type: none"> Develop competitive edge for the port of Singapore Build up technological capabilities within our maritime industries in key niche areas Transform the maritime sector into a highly productive and innovative cluster by leveraging leading-edge technologies 	
<ul style="list-style-type: none"> MINT-Research and Development (MINT-RD) 	This scheme promotes applied R&D and encourages development of maritime technology and IP/patent and capabilities development.	Co-funding of manpower and equipment for the purposes of the project.
<ul style="list-style-type: none"> MINT-Product Development (MINT-PD) 	The scheme encourages product and solution development, value creation and translation of technologies for maritime applications.	Co-funding of manpower and equipment for the purposes of the project.
<ul style="list-style-type: none"> MINT-Startup Grant (MINT-STARTUP) 	This scheme encourages the maritime industry to accelerate innovation and venture into adjacent/ new growth areas through working with tech-startups.	Up to S\$100,000 of project grant for eligible start-ups based on merit of project
Approved Shipping Financing Arrangement (ASFA) Award (for Ships and Containers)	This award provides support for ship owners, operators and lessors on interest and qualifying related payments made in respect of qualifying financing arrangements obtained to finance the purchase and construction of vessels or the purchase of containers.	Eligible companies will enjoy withholding tax exemption on qualifying financing arrangements.



Thailand

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Country background




The standard rate for the CIT in Thailand is 20%. According to the BOI's current regulations, the Thai Government provides both basic incentives (up to 13-year CIT exemption) and additional incentives (such as an additional 50% CIT reduction for 5 years) under special measures.

BEPS 2.0 updates

- Income Inclusion Rule: Effective from 1 January 2025
- Qualified Domestic Minimum Top-up Tax: Effective from 1 January 2025
- Undertaxed Payments Rule: Effective from 1 January 2025

In August 2025, the BOI announced that it is in the process of adding new right and investment incentives for implementing the OECD's Qualified Refundable Tax Credits (QRTC). According to the BOI, QRTC will be provided to BOI promoted companies for investments in areas such as research and development, advanced skills development, production efficiency improvement, and sustainable investment, to enhance their competitiveness. These tax credits can be used to deduct various tax payments, or, if promoted companies have remaining tax credits, they can also claim cash refunds that will provide liquidity for business development within four years.

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Measure to promote investment in industries that are crucial to develop the country</p> 	<p>This measure will apply to foreign and domestic investors who will have new investments and will operate businesses in various industries such as: Agriculture, Food and Biotechnology Industries, Medical Industries, Machinery and Vehicle Industry, Electrical Appliances and Electronics Industries, Metal and Material Industry, Chemical and Petrochemical Industry, Public Utilities, Digital Industry, Creative Industry, High Value Service.</p> <p>Tax benefits</p> <ul style="list-style-type: none"> Exemption of CIT up to 13 years depending on the details of the activities* presented by the applicant and the BOI's sole discretion on a case-by-case basis ("Basic Incentives") <p><i>*The list of eligible activities can be found on the BOI website.</i></p> <p>Non-tax incentive</p> <ul style="list-style-type: none"> Permit for foreign nationals to enter Thailand for the purpose of studying investment opportunities. Permit to bring skilled workers and experts into Thailand to work in the promoted activities. Permit to own land. Permit to take out or remit money abroad in foreign currency.
<p>Measure for competitiveness enhancement</p> 	<p>This measure applies to promoted companies that will have new investments related to strengthening competitiveness such as R&D, human resource development, or local suppliers' development.</p> <ul style="list-style-type: none"> Additional 1-5 years of CIT exemption from Basic Incentives depending on the total amount of investment or total expenses for the first 3 years related to R&D, human resource development, or local suppliers' development.
<p>Measure for Retention and Expansion Program</p> 	<p>This measure applies to promoted companies which have been granted investment benefits for at least 3 projects over the past 15 years with a combined investment value of not less than THB 10 billion and must have expansion projects with an investment value of not less than THB 500 million.</p> <ul style="list-style-type: none"> Additional period of CIT exemption for 3 years from Basic Incentives Additional period of 50% CIT reduction for 5 years from Basic Incentives <p>Additional CIT exemption/reduction period is dependent on the Group of Activity of the applicant's planned business activity.</p>

Industries most affected by Government incentives in Thailand

- Telecom, Media & Entertainment
- Technology
- Consumer Products
- Retail, Wholesale & Distribution
- Automotive
- Transportation, Hospitality & Services
- Power & Utilities
- Mining & Materials
- Oil, Gas & Chemicals
- Industrial Products & Construction
- HealthCare
- Life Sciences
- Health & Social Care
- Defense, Security & Justice
- Transport

List of incentives

Investment

Incentive name	Brief description	Maximum incentive benefit
Measure for Comprehensive Relocation Program	This measure applies to both new companies and existing companies who consider to apply for investment promotion for manufacturing projects together with the International Business Center (IBC) and/or R&D centers.	<ul style="list-style-type: none"> Additional CIT exemption up to 5 years from Basic Incentives

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Enhancement Measure for Smart and Sustainable Industry	This measure applies to the existing project regardless of BOI or non-BOI promoted projects that would like to improve their efficiency in productions or services to become smart and sustainable in the following areas: <ol style="list-style-type: none"> 1. Upgrading or replacing of machinery and automation; 2. Digital adoption; 3. Industry 4.0 transformation; 4. Energy conservation, alternative energy utilization or environmental impact mitigation. 	Additional 50% or 100% CIT exemption for 3 years from Basic Incentives Remark: Percentage of additional CIT exemption will depend on type of investment.

Others

Incentive name	Brief description	Maximum incentive benefit
Enhancement Measure for Smart and Sustainable Industry	This measure applies to projects located in special economic corridors e.g., Northern Economic Corridor, Northeastern Economic Corridor, Central-western Economic Corridor, and Southern Economic Corridor and to encourage the private sector to take part in human resource development, research and development of technology and innovation.	<ul style="list-style-type: none"> Additional CIT exemption for 2 years from Basic Incentives Additional 50% CIT reduction for 3 years from Basic Incentives
Measure to Promote Investment in Eastern Economic Corridor (EEC)	This measure applies to projects located in the EEC i.e., Chachoengsao, Chonburi, or Rayong province. The BOI's objective is to promote investment in the targeted activities in the EEC and to encourage the private sector to take part in human resource development, research and development of technology and innovation.	<ul style="list-style-type: none"> Additional CIT exemption up to 2 years from Basic Incentives Additional 50% CIT reduction up to 3 years from Basic Incentives
Measure to Mitigate the Impact of the New Approach to Collect Taxes under the Global Minimum Tax Rules	The BOI announced this measure to mitigate the impact of the new approach to collect taxes under the Global Minimum Tax rules.	<ul style="list-style-type: none"> 50% of CIT reduction for a period of not more than 10 years.



Vietnam

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Country background

The standard Corporate Income Tax (CIT) rate in Vietnam is 20%. Small-Medium Enterprises (“SMEs”) are allowed to apply tax rates of 15% or 17%, depending on their scale of revenue (starting from 1st October 2025). Enterprises operating in the exploration and mining of petroleum, gas, and other rare and precious natural resources are subject to higher CIT, ranging from 32% to 50%.



In 2025, incentive framework in Vietnam has been undergoing a comprehensive reform, through various newly enacted industry-specific regulations (e.g. Law on Digital Technology Industry, Law on Science, Technology and Innovation, etc.) and amendments of currently prevailing laws (e.g. Law on Corporate Income Tax, Law on Customs, Law on Import – Export, Law on Investment etc.). Besides revamped current incentive policies (which mainly focused on tax holiday and preferential tax rates incentives), several new schemes (e.g. subsidy, super deduction, etc.) are introduced, offering great benefits to businesses, particularly those operating in the **science, technology and digital transformation** – the key sector that is being focused for development by the Vietnamese Government.

BEPS 2.0 updates


- **Income Inclusion Rule (IIR)** : Effective from 1 January 2024
- **Qualified Domestic Minimum Top-up Tax (QDMTT)** : Effective from 1 January 2024
- **Undertaxed Payments Rule**: Not applicable yet.

The IIR and QDMTT rules are implemented in accordance with the Resolution 107/2023/QH15 (“Resolution 107”) and Decree 236/2025/ND-CP (effective from 15 October 2025). The Resolution 107 of Vietnam have been announced by the OECD for Transitional Qualified Status, including: Qualified IIR, Qualified DMTT and QDMTT Safe Harbour. All incentives policies stipulated under relevant laws will remain in force in the context of Global Minimum Tax implementation.

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>Investment Support Fund (ISF)</p> 	<p>This scheme provides cost subsidies for enterprises and projects in the high technology sectors – requiring high technology certificates by competent authority.</p> <p>Qualified subjects:</p> <ul style="list-style-type: none"> (i) High-tech Enterprises (ii) Enterprises having Investment project manufacturing high-tech products (iii) Enterprises having High-tech application projects (iv) Enterprises having R&D Center <p>Conditions:</p> <ul style="list-style-type: none"> • Capital investment: VND 6,000 – 12,00 billion (~ \$230 – 460 million), with corresponding conditions for disbursement timeline; or • Revenue generation: VND 10,000 – 20,000 billion (~ \$380 – 760 million) <p>Eligible expenses and investment and subsidy rates:</p> <ul style="list-style-type: none"> • For OPEX: <ul style="list-style-type: none"> (i) Training and human resource development expenses: 50% (ii) R&D expenses: 1 – 30% (iii) Cost of newly invested fixed assets: 1 – 10% (iv) Manufacturing expenses of high-tech products: 0.5 – 3% (v) Social infrastructure constructions expenses: 25% <p>For CAPEX (of R&D Center for AI, Semiconductor): maximum 50% of investment expenses</p>
<p>Incentive and support for Semiconductor industry</p> 	<p>Following the new Law of Digital Technology Industry, there are provided various incentive and support for Semiconductor value chain, covering:</p> <ul style="list-style-type: none"> • Production of promulgated materials, supplies, equipment, machinery and tools for semiconductor; • Research and Development; Design; Manufacturing, Packaging and Testing of Semiconductor chip; • Direct auxiliary products supporting for the Semiconductor industry; and • Electronics equipment manufacturing satisfying certain promulgated criteria (semiconductor's downstream) <p>Depending on type of activity, the highest package of incentive and support would be comprised of:</p> <ul style="list-style-type: none"> (i) CIT incentives: 10% for 15 years; 04-year exemption and 09-year 50% reduction. Furthermore, large-scale projects (i.e. with capital of VND6,000bil and more) could be entitled to significant extension of incentives (i.e. longer duration and further reduction of preferential tax rate) (ii) Subsidy (funded by local authority's budget): on CAPEX (i.e. factory construction, technical infrastructure, machinery and equipment), certain OPEX (i.e. human resource development training, R&D, trial production, purchase of machinery and equipment, technology and technological innovation). The criteria, conditions, procedures, contents and levels of subsidy are at local discrete. (iii) Import duty and Customs procedures: <ul style="list-style-type: none"> – Import duty exemption scheme for the goods imported to form fixed assets; – Import duty exemption for materials/ supplies/ components not produced domestically and imported for usage in production with 05-year period); – Allowable for importing the used production lines, M&Es, and tools which are to serve directly for projects on manufacturing, packaging and testing semiconductor chips; – Applying the priority schemes for Authorized Economic Operator (“AEO”) with certain conditions exempted. (iv) Workforce: High-caliber employees meeting certain requirements are entitled to: <ul style="list-style-type: none"> – 5-year Personal Income Tax (PIT) exemption; – 5-year temporary residence card – Work permit exemption, and other financial and non-financial supports

Incentive spotlight (Top 3)

Incentive name	Brief description
<p>International Financial Center (IFC)</p> 	<p>A range of incentive and support programs are offered to enterprises/vehicles operating in the IFC (located in Da Nang and Ho Chi Minh city), including the following subjects:</p> <ul style="list-style-type: none"> • Commercial banks, foreign bank branches, securities companies, insurance companies and reinsurance companies • Investment funds and asset management • Market infrastructure organizations • Financial technology and digital asset organizations • Organizations providing consulting and support services • Non-financial organizations <p>Certain outstanding incentives and supports are listed out as below:</p> <p>(i) CIT incentives: 10% for 30 years in combination with 04-year exemption, 09-year 50% reduction OR 15% for 15 years in combination with 02-year exemption, 04-year 50% reduction</p> <p>(ii) Import - Export duty and Customs Procedures:</p> <ul style="list-style-type: none"> - Import duty exemption for the technical equipment imported to construct the IT's infrastructure of IFC; - Import duty exemption for the goods imported to form Fixed assets of Investment Projects located in IFC; - Preferential export-import duty rates and procedures in accordance with International Treaties and Laws on Export-Import duty; - Customs priority schemes as AEO. <p>(iii) Workforce:</p> <ul style="list-style-type: none"> - PIT exemption until 2030 on employment income and capital gain for certain employees/ investors - 10-year temporary residence card for investors, experts, high-caliber employees; - Priority immigration procedure; - Work permit exemption; etc.

Industries most affected by Government incentives in Vietnam

- Technology
- Semiconductor
- Industrial Products and Construction
- Automotive
- Power, Utilities and Renewables
- Financial Services

**List of incentives
Investment**

Incentive name	Brief description	Maximum incentive benefit
Profit-based CIT incentives – by location	<p>This incentive supports businesses carrying out any projects or activities across all sectors, with no specific restrictions, except for activities relating to the transfer of capital, transfer of real estate, transfer of project, exploration of natural resources, mining, and services subject to special consumption tax.</p> <p>The incentivized locations include:</p> <ul style="list-style-type: none"> • Location with difficult/ particularly difficult socio-economic conditions • Economic Zone • High Technology Zone • Centralized Digital Technology Zones • Free-Trade Zone <p>Industry Zone has been removed from the list of incentivized locations since October 1st 2025.</p>	<p>Depending on the location where the project is undertaken or activities are performed, businesses can enjoy the level of CIT incentives as follows:</p> <ul style="list-style-type: none"> (i) 4 years of tax exemption; (ii) Subsequent 9 years of 50% tax reduction; and (iii) 15 years of a preferential tax rate 10%.
Profit-based CIT incentives – by industry	<p>Businesses carrying out projects or having activities in the promulgated encouraged/ specially encouraged industries, covering:</p> <ul style="list-style-type: none"> (i) Science and technology (e.g., High technologies and Strategic technologies, Digital Technologies, R&D, Innovation, Technology Transfer, etc.); (ii) Energy, Resource and Industrials (e.g., New materials, New/Renewable/Clean Energy, Key electronics/mechanics, Automotive assemble, Supporting Industries, etc.); (iii) Agriculture (e.g., Cultivation & processing of agricultural, forestry, aquatic products, Forest planting and protection, Salt making, Seed and breeding stock production, etc.); (iv) Environment and Infrastructure (e.g., Waste collection, treatment, recycling and re-use, Infrastructure construction, etc.) (v) Social & Public services (e.g., Education, Culture, Society, Publication, Sports & Healthcare, etc.) 	<p>Depending on the applicable industry, businesses can enjoy the level of CIT incentives as follows:</p> <ul style="list-style-type: none"> (i) 4 years of tax exemption; (ii) Subsequent 9 years of 50% tax reduction; and (iii) Preferential tax rate 10% for whole project lifetime.

Investment

Incentive name	Brief description	Maximum incentive benefit
Profit-based CIT incentives – by scale	<p>Certain projects with large or ultra-large scale of capital investment are entitled to higher levels of CIT incentives. Those would include:</p> <ul style="list-style-type: none"> • Special investment projects: <ul style="list-style-type: none"> +VND30,000-billion (~\$1.15bil): projects in specially encouraged industries, with VND10,000 billion disbursed within 3 years + VND6,000-billion (~\$230mil): Key Digital Technology, Semiconductor, AI projects, fully disbursed within 5 years + VND3,000-billion (~\$115mil): Innovation, R&D center, strategic technology projects, with VND1,000 billion disbursed within 3 years • Others: VND12,000-billion (~\$460mil): manufacturing project applying stipulated technology, fully disbursed within 5 years 	<p>Depending on type of project, the maximum CIT incentive level is as below (the incentive duration cannot last beyond the project's duration)</p> <ol style="list-style-type: none"> 6 years of CIT exemption; 13.5 years of 50% tax reduction; 37.5 years of a preferential tax rate of 5%
Cost-based CIT incentives	<p>This incentive supports all businesses and projects with fixed assets, regardless of industry and location. There is also no restriction on qualifying activities.</p>	<p>Subject to businesses successfully demonstrating that they have high economic effectiveness, a qualifying company can:</p> <ul style="list-style-type: none"> • Increase the depreciation rate of fixed assets to a maximum of twice the rate as the standard rate under prevailing regulations, if all conditions can be met*. <p>* Qualifying business must demonstrate that they have high economic effectiveness and can generate profit under the accelerated depreciation model.</p>
Import duty and Customs procedures	<p>Customs incentives are available for wide range of businesses, depending on:</p> <ol style="list-style-type: none"> Investment location; Investment sector; Import-export operational schemes; the availability of Free Trade Agreements (“FTAs”) between Vietnam, and Trading Partners, or Qualification for prioritized schemes (e.g., for AEO). 	<p>Below are notable incentives programs for businesses investing and operating in Vietnam:</p> <ol style="list-style-type: none"> 1) Import duty exemption for companies with Export Processing Enterprise status, or located in the Free Trade Zone. 2) Import duty exemption, applied for: <ul style="list-style-type: none"> • M&Es imported to form fixed assets of Investment Projects; • Goods imported for Export Manufacturing and Export Processing. 3) Application of preferential import duty rates, potentially result in lower import duty paid, by utilizing available FTAs. 4) Simplification of customs procedures for the Companies operates under AEO scheme (e.g., less checks during customs clearance, faster clearance timeline).

Investment

Incentive name	Brief description	Maximum incentive benefit
VAT Refund	<p>This incentive supports businesses with a credible input that exceeds VND 300 million (after offsetting the output VAT on existing projects/domestic good) for certain qualifying activities.</p> <p>The scheme is applicable for new investment, investment in progress and expanding investment.</p>	<p>Qualifying companies and activities can receive a refund of their VAT during the investment period and on goods used to produce exported goods.</p>
Land rental and land tax incentive	<p>This incentive supports projects located in incentivised locations and incentivised sectors.</p> <p>All qualifying projects must lease land directly from the Vietnamese Government (instead of lease from private infrastructure developers) and apply for the Investment Registration Certificate or Investment Approval.</p>	<p>Depending on the location, sector, and scale of qualifying projects, qualifying projects can receive:</p> <ul style="list-style-type: none"> (i) 3 years of land rental exemption during construction phase; (ii) land rental exemption for a duration from 3 to 22 years or even the whole operational/ investment period; (iii) Free land tax or 50% reduced land tax

Science, Technology and Innovation

Below are notable businesses or activities that are entitled for outstanding incentives:

Incentive name	Brief description	Maximum incentive benefit
Manufacturing Key Digital Technology (DT) products / services	Several incentive and support are provided to businesses operating in the Digital Technology Industry. In which, enterprises and projects that manufacture Key DT products & services (as stipulated in the Government's List) are entitled to the most significant incentive and support schemes.	<p>The applicable incentive and support schemes include:</p> <ul style="list-style-type: none"> (i) CIT incentives: 10% for 15 years (can be extended to further 15 years as maximum if having at least VND6,000bil of capital); 04-year exemption and 09-year 50% reduction. (ii) Subsidy on CAPEX (funded by local authority budget): Including investment in factory construction, technical infrastructure, machinery and equipment. The criteria, conditions, procedures, contents and levels of subsidy are at local discrete. (iii) Import duty and Customs procedures: <ul style="list-style-type: none"> • Import duty exemption for: <ul style="list-style-type: none"> - Specialized M&E, components, spare parts, supplies, and science documents/ books used for DT purposes; - Goods imported to form fixed assets of the investment project (new or expansion projects) for DT purposes. - Materials/ supplies/ components not yet produced domestically, for manufacturing DT products. • Allowed to import used production lines, M&Es, tools for training, research, and develop qualified DT services/ products. • Applying the priority schemes as AEO, with certain conditions exempted. (iv) Workforce: High-caliber employees meeting certain requirements are entitled to: <ul style="list-style-type: none"> • 5-year Personal Income Tax (PIT) exemption; • 5-year temporary residence card • Work permit exemption

Science, Technology and Innovation

Below are notable businesses or activities that are entitled for outstanding incentives:

Incentive name	Brief description	Maximum incentive benefit
Strategic technology application	<p>This scheme provides incentives to projects that apply strategic technology or manufacturing products using strategic technology in accordance with the Government’s promulgated list, covering:</p> <ul style="list-style-type: none"> • AI, digital twin, virtual/ augmented reality • Cloud computing, quantum computing, and big data • Blockchain • Next generation mobile network (5G/ 6G) • Robotics & automation • Semiconductor • Advanced biomedical technology • Advanced energy & materials • Geo-Marine technology • Cybersecurity • Aerospace 	<p>The applicable incentive and support schemes include:</p> <ul style="list-style-type: none"> (i) CIT incentives: 10% for 15 years (can be extended to further 15 years as maximum if having at least VND6,000bil of capital); 04-year exemption, 09-year 50% reduction; (ii) Import duty and Customs procedures: <ul style="list-style-type: none"> • Import duty exemption for the goods imported to form fixed assets; • Import duty exemption for the materials/ supplies/ components not produced domestically and imported for usage in production with 05-year period; • Applying the priority schemes as AEO, with certain conditions exempted.
High Technology Enterprise and High Technology Applied Project	<p>Enterprises that manufacture hi-tech products and projects that apply hi-technology that fall under the Government’s List are eligible to this incentive claim, provided that a Certificate of Hi-tech enterprise and Hi-tech applied project must be granted from competent authority.</p> <p>(*) Law on High Technology is under reformed (tentatively effective in 2026) with major changes on subjects, criteria and incentive scheme.</p>	<ul style="list-style-type: none"> (i) CIT incentives: 10% for 15 years (applicable for High Technology Applied Project only - can be extended to further 15 years as maximum if having at least VND6,000bil of capital); 04-year exemption, 09-year 50% reduction (ii) Import duty and Customs procedures: <ul style="list-style-type: none"> • Import duty exemption for the goods imported to form fixed assets; • Import duty exemption for the materials/ supplies/ components not produced domestically and imported for usage in production with 05-year period; • Applying the priority schemes as AEO, with certain conditions exempted.

Science, Technology and Innovation

Below are notable businesses or activities that are entitled for outstanding incentives:

Incentive name	Brief description	Maximum incentive benefit
Innovative Start-up Enterprises	This scheme provides support to Innovative Start-up Enterprises are defined as enterprises which carry out innovative initiatives, based on the utilization of intellectual property, technology, or a new business model, which shows the potential for growth.	(i) CIT incentives: <ul style="list-style-type: none"> • 02-year CIT exemption and 04-year 50% tax reduction on business income from innovative start-up activities • CIT exemption on income from transfer of capital/share, transfer of rights to purchase capital/share • Super deduction of 200% on R&D expenses (ii) PIT incentives: <ul style="list-style-type: none"> • PIT exemption on income from transfer of capital/share, transfer of rights to purchase capital/share • 02-year PIT exemption and 04-year 50% tax reduction on income of experts and scientists received from innovative start-up enterprises (iii) Other non-tax support: Provision of free support for certain services, such as: legal consulting, business management training, accounting, taxation, and human resources, etc.
Science & Technology Development Fund for enterprises	Enterprises are permitted to establish a Science & Technology Development Fund and allocate expenses to support specified science, technology, and innovation activities in accordance with regulations.	The maximum allocation is 20% of taxable income , and at least 70% of The accrued amount must be utilized within five years . Failure to comply may result in tax arrears and late payment interest.

Sustainability

Incentive name	Brief description	Maximum incentive benefit
Investment Allowance for Emissions Reduction (IA-ER)	This scheme grants CIT exemption for certain income items related to green and sustainability initiatives. All enterprises earning eligible income are entitled to this exemption.	Eligible income includes: <ul style="list-style-type: none"> • Transfer of Certified Emission Reductions (CERs); • Initial transfer of carbon credits upon issuance by enterprises granted CERs and carbon credits; • Interest on green bonds; • Initial transfer of green bonds upon issuance.

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