

INCOME TAX ACT  
(CHAPTER 134, SECTION 14L)

INCOME TAX (FURTHER DEDUCTION FOR EXPENSES  
INCURRED IN RELOCATION OR RECRUITMENT OF  
OVERSEAS TALENT) REGULATIONS

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation
  2. Definitions
  3. Further deduction of prescribed expenses
- 

[2nd November 1999]

**Citation**

1. These Regulations may be cited as the Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) Regulations.

**Definitions**

2. In these Regulations —

“current employer”, in relation to a prescribed employee, means the person to whom the further deduction under regulation 3 is allowed in respect of the prescribed employee;

“prescribed employee” means —

(a) in relation to an employee who holds an employment pass, an employee —

- (i) who is recruited from outside Singapore;
- (ii) who is issued a P1 or P2 employment pass as endorsed in his passport or any other travel document by the Controller of Immigration; and
- (iii) if he had previously been employed by any person in Singapore, who, at any time during the

period from his last employment in Singapore to the time before his employment with the current employer, had been employed by any person who was not his current employer or a related employer;

- (b) in relation to an employee who is a Singapore citizen or permanent resident of Singapore, an employee —
- (i) who is recruited from outside Singapore;
  - (ii) who has, in the 18-month period immediately prior to being employed by the current employer, been employed by any person outside Singapore for a period or periods exceeding in the aggregate of not less than 12 months;
  - (iii) if he had previously been employed by any person in Singapore, who, at any time during the period from his last employment in Singapore to the time before his employment with the current employer, had been employed by any person who was not his current employer or a related employer; and
  - (iv) who is approved by the Ministry of Manpower to be of an employment status equivalent to that of an employee who is issued a P1 or P2 employment pass;

“prescribed expenses” means —

- (a) in relation to a prescribed employee who is issued a P1 employment pass or is approved to be of such an equivalent employment status, relocation expenses and recruitment expenses, subject to a maximum of \$15,000, incurred in respect of that employee;
- (b) in relation to a prescribed employee who is issued a P2 employment pass or is approved to be of such an equivalent employment status, relocation expenses, subject to a maximum of \$5,000, incurred in respect of that employee; and

- (c) in relation to the bringing to Singapore of —
- (i) the spouse; or
  - (ii) any unmarried child (below the age of 21 years), of a prescribed employee who is issued a P1 or P2 employment pass or is approved to be of such an equivalent employment status, the following expenses incurred on or after 28th February 2003:
    - (A) one-way air fare to bring to Singapore the employee's spouse, subject to a maximum of \$5,000;
    - (B) one-way air fare to bring to Singapore up to 2 such unmarried children of that employee, subject to a maximum of \$2,500 for each child.

*[S 129/2004 wef 28/02/2003]*

“recruitment expenses” means any expenses incurred in recruiting a prescribed employee from outside Singapore to be employed in Singapore and includes —

- (a) fees paid to an employment agency; and
- (b) return air fare incurred —
  - (i) in bringing the prescribed employee for recruitment interviews; or
  - (ii) for sending a person overseas to interview the prescribed employee for employment in Singapore;

*[S 129/2004 wef 28/02/2003]*

“related employer”, in relation to a current employer, means any person who, directly or indirectly, controls the current employer, or is controlled, directly or indirectly, by the current employer, or where both, directly or indirectly, are under the control of a common person;

“relocation expenses” means any expenses incurred in relocating a prescribed employee from outside Singapore to be employed in Singapore and includes —

- (a) one-way air fare for the prescribed employee to come to Singapore to commence his employment with the current employer;
- (b) [*Deleted by S 129/2004 wef 28/02/2003*]
- (c) baggage allowance;
- (d) expenses incurred in providing temporary accommodation to the prescribed employee for a period not exceeding 30 days in Singapore or an allowance for that purpose, before the prescribed employee obtains his own place of residence; and
- (e) allowance for furnishing the prescribed employee's place of residence in Singapore.

### **Further deduction of prescribed expenses**

3.—(1) Subject to the provisions of these Regulations, for the purpose of ascertaining the income of any person carrying on a trade, profession or business, there shall be allowed to the person a further deduction, in addition to the deduction allowed under section 14 of the Act, of the prescribed expenses incurred during the period from 1st October 1998 to 30th September 2013 by the person in recruiting or relocating any prescribed employee from outside Singapore to be employed in Singapore by the person.

*[S 123/2008 wef 14/03/2008]*

(2) For the purposes of the further deduction to be allowed to any person under paragraph (1) in respect of any prescribed employee —

- (a) the further deduction of the expenses under paragraph (c) of the definition of “prescribed expenses” shall only be allowed if the deduction of those expenses is claimed within one year from the date the employee's spouse or child is brought to Singapore, as the case may be; and
- (b) where the person is a recipient of any grant given under any Government assistance scheme to offset the recruitment or relocation expenses incurred in respect of the prescribed employee, the amount of further deduction to be allowed

under that paragraph shall be reduced by the amount of the grant.

*[S 129/2004 wef 28/02/2003]*

(3) The total amount of further deduction to be allowed to any person under paragraph (1) for any year of assessment shall not in the aggregate exceed \$275,000 in respect of all prescribed employees employed by the person in the basis period for that year of assessment.

*[S 129/2004 wef 28/02/2003]*

(4) The Minister, or such person as he may appoint, may in any particular case waive the limit of \$275,000 specified in paragraph (3) subject to such conditions as the Minister or that person may impose.

*[S 120/2002 wef 12/03/2002]*

*[S 129/2004 wef 28/02/2003]*

*[G.N. No. S 478/99]*

LEGISLATIVE HISTORY  
INCOME TAX (FURTHER DEDUCTION FOR EXPENSES  
INCURRED IN RELOCATION OR RECRUITMENT OF  
OVERSEAS TALENT) REGULATIONS  
(CHAPTER 134, RG 3)

This Legislative History is provided for the convenience of users of the Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) Regulations. It is not part of these Regulations.

**1. G. N. No. S 478/1999 — Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) Regulations 1999**

Date of commencement : 5 November 1999

**2. 2001 Revised Edition — Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) Regulations**

Date of operation : 31 January 2001

**3. G. N. No. S 120/2002 — Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) (Amendment) Regulations 2002**

Date of commencement : 12 March 2002

**4. G. N. No. S 129/2004 — Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) (Amendment) Regulations 2004**

Date of commencement : 28 February 2003

**5. G. N. No. S 123/2008 — Income Tax (Further Deduction for Expenses Incurred in Relocation or Recruitment of Overseas Talent) (Amendment) Regulations 2008**

Date of commencement : 14 March 2008