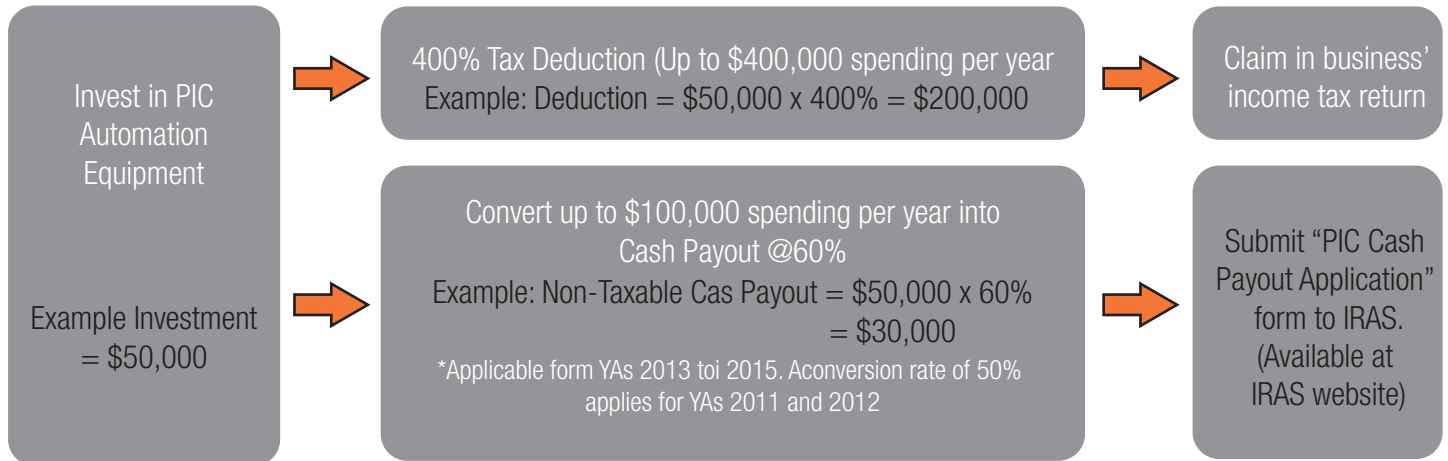# Facts on PIC Grant – by IRAS

Below are facts extracted from IRAS website, which you are free to verify. There is more information available from IRAS to help you understand more about PIC grant. From time to time, IRAS may update more details about PIC grant, and the information here may not be the latest.

Invest in PIC Automation Equipment Example Investment = $50,000	**400% Tax Deduction** (Up to $400,000 spending per year Example: Deduction = $50,000 x 400% = $200,000	Claim in business' income tax return
	Convert up to $100,000 spending per year into **Cash Payout @60%** Example: Non-Taxable Cas Payout = $50,000 x 60% = $30,000 *Applicable form YAs 2013 toi 2015. Aconversion rate of 50% applies for YAs 2011 and 2012	Submit "PIC Cash Payout Application" form to IRAS. (Available at IRAS website)

1. Who is eligible for PIC?

All businesses are eligible for PIC, if they have incurred expenditure in any of the six qualifying activities.

Branches and subsidiaries with the parent or holding company being a foreign incorporated company are also eligible for PIC

2. What is the qualifying period for PIC?

The PIC scheme is effective for five years from YA 2011 to YA 2015.

For example, if you incurred qualifying expenditure in Nov 2010 and your accounting year ended on 30 Jun 2011, you are eligible to claim PIC in your Income Tax Return for YA 2012.

3. Conditions for cash payout

Businesses eligible to apply for the cash payout are sole-proprietorships, partnerships, companies (including registered business trusts) that have:

- incurred qualifying expenditure and are entitled to PIC during the basis period for the qualifying YA;
- active business operations in Singapore; and
- at least 3 local employees (Singapore citizens or Singapore permanent residents with CPF contributions) excluding sole-proprietors, partners under contract for service and shareholders who are directors of the company

A business is considered to have met the 3-local-employees condition if it contributes CPF on the payroll of at least 3 local employees in the relevant month.

4. Has IRAS approved or endorsed consultants to provide advice on or promote the PIC scheme?

IRAS and the Enterprise Development Centres (set up jointly by SPRING and industry associations/business chambers) provide free one-to-one consultation for businesses that wish to learn more about PIC.

IRAS has not appointed any private entity (individual or company) to provide advice on or promote the PIC scheme. IRAS has also not approved or endorsed any private consultant for this purpose.

Message from Verz Design: Verz Design does not charge any consulting fees for application of PIC grant, and the application of PIC grant has to be filed by clients themselves. Beware of consultants who claim they can file PIC grant on your behalf and charging a service fee.

PIC Grant – Information Technology Software

✔ *Data communications and networking equipment, including modem, multiplexor, network processor, servers, interface converter, routers, switches, networks, cabling infrastructure, IP telephony systems, broadband connectivity equipment and security and authentication infrastructure.*

Message from Verz Design: The above is reference for Hosting Server.

✔ *There are Six Qualifying Activities eligible under PIC, and one of them is "Acquisition or Leasing of PIC Information Technology (IT) and Automation Equipment." We extract the key point here for your easy reference –*

"Information technology software including office system software and software used in connection with provision of any office automation service, enterprise resource planning, customer relationship management such as reservations, registration, queue management, ordering, billings and collections, inventory management, record management, knowledge management, human resource and payroll management, financial information and business management such as accounting and assets management, and personnel business travel request, information and management.

Message from Verz Design: The above is reference for eCommerce, Product Inventory, Custom Programming.

For more information on PIC, please feel free to contact IRAS:

Website: www.iras.gov.sg (Businesses > For companies > Productivity and Innovation Credit)
Helpline: 1800-356 8622 (For Companies) | 6351 3534 (For Self-Employed/Partnership)
Email: picredit@iras.gov.sg

Contact Us today to understand if your web development qualifies for PIC Grant
Our Hotline: +65 6841 1680
www.verzdesign.com