



# Incentive Snippets



## Issue 12 | Extension of the Automation Support Package

The Automation Support Package (ASP), now under the Enterprise Development Grant (Innovation and Productivity category) by Enterprise Singapore, is extended till 31 March 2021. This grant is designed to support companies in their automation, productivity and scale-up efforts.

In this issue, we highlight the components of the ASP and how you can potentially tap on this grant for your business needs.

### Benefits

The support package consists of the following three components:

#### 1. Grant Support

For SMEs\*:

Up to 70% of qualifying project costs (e.g. equipment, consultancy and training); capped at S\$1 million per project.

For non-SMEs:

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

#### 2. Tax Incentive

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

#### 3. Government-backed loans

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

### Eligibility criteria

Companies applying for ASP should meet the following criteria:

- Be registered and operating in Singapore
- Have at least 30% local shareholding

\* SMEs (small and medium enterprises) refer to companies that have group annual sales of up to S\$100 million or group employment size of not more than 200.

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

- Involve large-scale deployment of automation solutions across existing operations. Scope of work may include:
  - Adoption/ development of sophisticated hardware and/ or software solutions
  - Development of solutions that involve purchase of machinery and integration of systems
  - Training of staff to deploy solutions
- This grant does not support set-up costs, costs of equipment and gadgets such as copiers, laptops and mobile phones; nor does it support equipment and software costs that are supported under the Productivity Solutions Grant (PSG).

### How we can help

If you would like to discuss the ASP more and how it applies to your business, please contact KPMG's Enterprise Incentives Advisory team. This is a multi-disciplinary team comprising specialists from finance, tax and engineering disciplines with extensive experience in government grant and incentive applications. Our team will help assess whether your company meets the qualifying conditions to benefit from the ASP, prepare the necessary documents required based on your input and liaise with Enterprise Singapore for the ASP application.

Stay tuned for our next incentive snippets newsletter.



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