

BUSINESS EXPENSES
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Corporate Volunteer Scheme
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To encourage corporate volunteerism, businesses may claim **250% tax deduction** on qualifying expenditure incurred from 1 Jul 2016 to 31 Dec 2026 when they send their employees to volunteer and provide services, including secondments, to Institutions of a Public Character (IPCs). From 1 Jan 2024, the scope of qualifying activities will be expanded to include activities which are conducted virtually or outside of the IPCs' premises, and the qualifying expenditure cap per IPC will be increased from \$50,000 to \$100,000 per calendar year.

[View the list of IPCs](#)

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**UPDATED!**

The Business & IPC Partnership Scheme (BIPS) has been renamed to the Corporate Volunteer Scheme (CVS) with effect from 1 Apr 2023.

Qualifying Conditions

Who Can Qualify

All businesses carrying out a trade or business in Singapore are eligible for CVS when their employees* volunteer, provide services or are seconded to IPCs.

[NEW!] With effect from 1 Jan 2024, the scope of qualifying volunteering activities will be expanded to include activities which are conducted virtually (e.g. online mentoring and tuition support for youths/ children) or outside of the IPCs' premises (e.g. refurbishment of rental flats) as announced in Budget 2023. Volunteering projects have to be mutually agreed between the IPC and the business.

Businesses that are eligible for CVS are:

1. Companies, sole proprietorships, partnerships (including limited partnerships and limited liability partnerships) and registered business trusts; and
2. Bodies of persons, e.g. clubs and trade associations, that are deemed to be carrying on a business.

*Exclude owners of businesses i.e. sole-proprietors, partners and shareholders who are also directors of the company.

[UPDATED!] To continue supporting corporate volunteerism, it was announced in Budget 2023 that the CVS will be extended for another 3 years, until 31 Dec 2026.

Qualifying Expenditure

Qualifying expenditure includes:

- Basic wages
- Other related expenses incurred by the business that were necessary for the provision of services to IPC

All qualifying expenditure must meet the following requirements:

1. Not reimbursed by the IPCs at anytime;
2. Incurred only because of the volunteering services;
3. Not considered as personal, living, or family expenses; and
4. Not capital expenditure.

For ease of claiming CVS tax deduction, the following enhancements have been made. From 2 Dec 2019, businesses are allowed:

- Tax deduction on wage of part-time employees who volunteer with IPCs under CVS; and
- An option for businesses to claim tax deduction on wage expenditure based on fixed hourly rates in lieu of actual salary: at \$10 per hour for general volunteering and \$20 per hour for skills-based volunteering. Skills-based volunteering refers to services which necessitate a qualifying employee to apply work-related expertise, as required by the IPC.

Businesses will in total receive a **250% tax deduction** on the qualifying expenditure incurred, subject to the receiving IPC's agreement.

Qualifying Expenditure	Tax Deduction Given
Currently deductible under Section 14(1) of the Income Tax Act 1947	<ul style="list-style-type: none">• 100% tax deduction under Section 14(1) of the Income Tax Act 1947• Additional 150% tax deduction under Section 14Z, subject to meeting the relevant conditions under CVS
Currently not deductible under Section 14(1) of the Income Tax Act 1947	<ul style="list-style-type: none">• 250% tax deduction under Section 14Z, subject to meeting the relevant conditions under CVS

Expenditure Cap

The qualifying expenditure is subject to a cap of \$250,000 per business per Year of Assessment (YA). A qualifying expenditure cap of \$50,000 is also imposed on each IPC per calendar year.

[NEW!] As announced in Budget 2023, the qualifying expenditure cap of \$50,000 for each IPC per calendar year will be increased to \$100,000 from 1 Jan 2024. The qualifying expenditure cap remains at \$250,000 per business per YA.

Example

How to claim CVS

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Before provision of service - Agreement on the scope of service

After provision of services - Submission

Claim in Tax Computation

For more information or enquiries on CVS, refer to the [National Volunteer & Philanthropy Centre's \(NVPC\) website](#) or email NVPC at: contact@companyofgood.sg.

FAQs

Qualifying businesses

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Do non-resident businesses qualify for CVS?



Do investment holding companies qualify for CVS?



Do trusts qualify for CVS?



Do service companies qualify for CVS?



Qualifying wages

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What are qualifying wages?



When are qualifying wages considered to be wages for time spent volunteering?



How do we allocate monthly wages to the time spent in volunteering?



Can salary expenditure incurred for services that fall outside of employees' working hours qualify for CVS?



Qualifying expenditure

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Can donation of goods qualify for CVS? If so, how should the deduction be computed?



Can expenditure incurred on food consumed, decorations and goodie bags provided during an event in the course of volunteering qualify for CVS?



Can expenditure incurred on transport provided during an event in the course of volunteering qualify for CVS? ▼

Can expenditure incurred to reimburse employees for transport to and fro the IPC in the course of volunteering qualify for CVS? ▼

Can expenditure incurred by a business for sending employees to perform volunteering services overseas for a local IPC qualify for CVS? ▼

Are we able to claim CVS benefits on expenditure incurred to engage external vendors to provide services in the course of providing the volunteering services (e.g. engagement of musicians to liven up the atmosphere of the fun fair organised for IPC)? ▼

Are we able to claim CVS benefits on actual expenditure which may be higher than the market rate (e.g. the company pays \$20 per hour for packing services instead of market rate of \$12 per hour)? ▼

Application of business cap

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In the case of a sole-proprietor who owns multiple businesses, how will the expenditure cap of \$250,000 per YA be applied? ▼

In the case of a partnership, how will the expenditure cap of \$250,000 per YA be applied? ▼

Secondment of employees

What is considered as a secondment under CVS? ▼

Types of services performed

Do employees have to perform services which are related to the business in order to qualify for CVS? ▼

Tax rules

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Can CVS tax deductions which cannot be fully utilised be carried forward, carried back, or transferred via Group Relief? 

If my business is taxable at the prevailing rate and concessionary rate, how will the tax deduction under CVS be allowed on qualifying expenditure in relation to income streams taxed at different tax rates? 

GST implications

What are the GST implications for expenses incurred in the course of volunteering? 

Interaction with other schemes

How does CVS interact with the matching grant under the Share as One Programme administered by the National Council of Social Services? 

Abuse of CVS

What is the penalty for abusing CVS? 

Inland Revenue Authority of Singapore

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Last updated on 12 January 2024