

FAQs for of Green Mark Incentive Scheme

Q1: Who is eligible for the Green Mark Incentive Scheme (GMIS)?

A1: The incentive scheme is applicable for developers and building owners of new private developments and those undergoing major retrofitting works with gross floor area (GFA) of at least 2,000 square metres which achieve BCA Green Mark Gold rating or higher. In addition, the enhanced scheme's incentive is extended to architects and M&E engineers in both private and public developments which achieve BCA Green Mark Gold rating or higher.

The amount of incentive is highlighted in Table 1 of the website: <http://www.bca.gov.sg/GreenMark/GMIS.html>

The scheme will not be applicable to the follows:

- a. Private developments, including additions and alterations to an existing building where the temporary occupation permit (TOP) have been granted before 15 Dec 2006 by the Commissioner of Building Control;
- b. Retrofitted buildings in which retrofitted works is completed before 15 Dec 2006; and
- c. Developments or buildings for which a cash incentive under this scheme has been granted.

Q2: Are overseas projects developed by local firms eligible for the Green Mark Incentive Scheme (GMIS)?

A2: No. As a key initiative under BCA's Green Building masterplan to promote sustainability of Singapore's built environment, the GMIS is targeted at private sector projects located in Singapore.

Q3: Are projects undertaken by government's corporatised entities such as restructured hospitals, NUS, NTU, etc. eligible for the Green Mark Incentive Scheme?

A3: The scheme is not applicable to public developers as such projects being substantially funded by the government are considered as public sector projects that will be required to follow the Government's policy on environmental sustainability. However, project architects and M&E engineers will be incentivised if the public developments meet the criteria.

Q4: Are Public Private Partnership (PPP) projects eligible for the Green Mark Incentive Scheme?

A4: Yes. Construction of PPP projects is funded by the private sector. It is therefore considered as private sector construction although the facility will be eventually handed over to the government.

Q5: When will the cash incentive be disbursed?

A5: The cash incentive for approved projects would be disbursed in two stages:

- a. 50% upon certification to the Green Mark rating achieved,
- b. the remaining 50% after validation, to be undertaken one year after TOP. subject to the guidelines stated in <http://www.bca.gov.sg/GreenMark/GMIS.html>

Q6: What is the tax liability of the recipients for the Green Mark Incentive Scheme?

A6: The cash incentives to be given to the developers and building owners are meant to cover their capital expenditures in the design/construction/retrofitting of buildings. If that is the case, the cash incentives would not be taxable in the hands of the recipients and the recipients cannot claim those expenditures as a revenue deduction against their income.

However, in the case of developers who are developing the building for sale, as they would be claiming their development costs as a deductible expense against their income from the sale of buildings, the cash incentives given to such developers would be taxable in their hands as the cash incentives are meant to defray their development costs which are deductible for tax purposes.

Q7: After obtaining the GMIS incentive, there is a change in usage say from office to mixed use development before the validation could be carried out. Is the project still eligible for GMIS?

A7: Yes, a fresh application for BCA Green Mark certification and GMIS will be required for reassessment. The incentive granted earlier shall be forfeited and recovered by the government if there is a change in usage. The developer/owner must inform BCA of any change in use and the re-application for GMIS must be submitted to BCA for reassessment when the change in use is approved by the relevant authority. This will be spelt out in the letter of offer. This must be acknowledged and signed off by the applicants before the incentive can be released to them.

Q8: In the case of a mixed use development consisting of distinct office and hotel premises served by a common "chiller plant", can the GMIS be sought based on either of the two premises or does it have to be based on both the premises?

A8: As GMIS is based on Green Mark certification, both cases are possible depending on the approach adopted by the developer in applying for the Green Mark certification. If the application for Green Mark certification is submitted as one project development, the certification and GMIS will be based on the combined weighted score for various types of development. Similarly, if the application is submitted for each development type separately, the GMIS will be granted separately for each development type based on the certification of Green Mark certification and its eligibility for GMIS.

The energy consumption of the common chiller plant or other common facilities (eg MV fans for the carpark) will be pro-rated according to the GFA of the development served.

Q9: Will the incentive granted at the design stage be forfeited or recovered by the government if the change in usage results in a new development that is unable to meet the requirements under the GMIS?

A9: Yes, this condition is spelt out in the letter of offer which applicants must sign before they can receive the incentive.