



**LETTER OF OFFER**

BCA Ref: [BCA XXX](#)  
 Application Ref: [LIA / XXX-2017](#)

<OFFER DATE>

<DESIGNATION>  
 <COMPANY NAME>  
 <ADDRESS>  
 Attn: <NAME>

Dear <NAME>,

**APPROVAL FOR LAND INTENSIFICATION ALLOWANCE INCENTIVE**

1 We refer to your application for a Land Intensification Allowance (LIA) incentive dated <Application Date> (the “Application”) made under the Income Tax Act and the Income Tax (Land Intensification Allowance) Regulations.

2 We are pleased to inform you, through this Letter of Offer, that the Ministry of Finance (MOF) has approved the award of the Land Intensification Allowance (the “Incentive”) to <Company name> (the “Company”) in respect of qualifying capital expenditure incurred by the Company for the <construction of the following approved building or structure> OR <extension project /renovation works amounting to Addition and Alteration (A&A) works to be carried out at the following approved building or structure>:

Name of user of LIA building or structure	<User company name> (the “User”)
Address of building or structure	<ICPH address>
Principal activity of the user	<List of activities conducted> (the “Approved Activity”)
SSIC code of principal activity of the user	<SSIC>
Current Gross Plot Ratio (if applicable)	<GPR> (the “Current GPR”)
Qualifying Period	8 March 2017 to date of the final Temporary Occupation Permit (TOP).

3 The Incentive will be subject to the following terms and conditions:

a. To qualify for the Incentive, the Company shall ensure that

i. As at the end of the Qualifying Period, at least 80% of the total floor area of the approved building or structure is used by the User for carrying out the Approved Activity and maintain this for so long as the Company claims for the annual allowance under this Incentive;

ii. <For new construction OR extension/ renovation works amounting to A&A works with a Current GPR that is less than the Benchmark GPR> the realised gross plot ratio (the "Realised GPR") of the approved building or structure meets or exceeds 1.6, where the Realised GPR is the Gross Plot Ratio declared by a Qualified Person (being a registered architect or a registered professional engineer) upon issuance of the final TOP, in the form prescribed at Part B of Annex 2A.

ii. < For extension with a Current GPR that meets or exceeds the Benchmark GPR> the realised gross plot ratio (the "Realised GPR") is at least 10% higher than the Current GPR, where the Realised GPR is the Gross Plot Ratio declared by a Qualified Person (being a registered architect or a registered professional engineer) upon issuance of the final TOP, in the form prescribed at Part B of Annex 2A.

b. The Company shall implement its proposed project as stated in the Application.

c. Only qualifying capital expenditure incurred by the Company during the qualifying period stipulated in clause 2 shall be supported under the Incentive. Capital expenditure incurred outside the qualifying period will not be supported.

d. Upon the issuance of the final TOP for the <construction project/ extension project/ renovation works amounting to A&A works>, the Company shall submit the Verification Form at Annex 2A to BCA no later than 3 months from the issuance of the final TOP.

e. Where the <construction project/ extension project/ renovation works amounting to A&A works> is completed in phases such that more than one TOP will be issued in respect of the project, the Company shall submit the Verification Form at Annex 2B to BCA no later than 3 months from the issuance of each TOP, save that upon the issuance of the final TOP for the project, the Company shall submit to BCA the Verification Form at Annex 2A no later than 3 months from the issuance of the final TOP.

f. Where a TOP is not issued by the BCA for the <construction project/ extension project/ renovation works amounting to A&A works>, all references to the TOP in this Letter of Offer, including the annexes, shall instead be read as referring to the Certificate of Statutory Completion (CSC) issued by BCA for that <construction project/ extension project/ renovation works amounting to A&A works>.

g. The Company shall comply with the Additional Terms and Conditions of Tax Incentives at Annex 1.

4. The Incentive is granted pursuant to the provisions of section 18C of the Income Tax Act 1947 and you are hereby reminded that the sections of the Income Tax Act and the Income Tax (Land Intensification Allowance) Regulations shall apply to the grant of this Incentive.

5. If you wish to accept the Incentive, subject to the terms and conditions stipulated above, please sign the attached acceptance letter and return it to BCA within 60 calendar days from the date of this letter, failing which this offer shall lapse and the Company will be required to re-submit its application anew should it wish to proceed. Please also note that the Incentive is valid only upon full acceptance of the stipulated terms and conditions.

4. If you have any queries, please contact Ms Teoh Pei Ling at <teoh\_pei\_ling@bca.gov.sg> or Ms Tan Mui Kheng at <tan\_mui\_kheng@bca.gov.sg>.

Yours sincerely,

Adeline Loo (Ms)  
Group Director  
Construction Productivity and Quality Group  
Building and Construction Authority

cc: Inland Revenue Authority of Singapore (IRAS)

Enclosures:

Acceptance Letter

Annex 1 Additional Terms and Conditions for Tax Incentives

Annex 2 Verification Form

BCA Ref: BCA XXX  
Project Ref: LIA / OXX-2017

<DATE>

Construction Productivity and Quality Group  
Building and Construction Authority  
52 Jurong Gateway Road #12-00  
Singapore 608550

Attention: Ms Adeline Loo

## ACCEPTANCE OF LAND INTENSIFICATION ALLOWANCE INCENTIVE

1 We refer to your letter of offer dated <Offer Date> for the award of the Land Intensification Allowance for the <construction of the following approved building or structure> OR <extension project/ renovation works amounting to Addition and Alteration (A&A) works to be carried out at the approved building or structure>.

2 We confirm that we will be implementing the proposed project as stated in the Application, and that we accept the offer of the Incentive in full, and subject to all the terms and conditions of the above mentioned Letter of Offer.

For and on behalf of <Company Name>

Signature of authorised signatory : \_\_\_\_\_

Name of authorised signatory : \_\_\_\_\_

Designation of authorised signatory : \_\_\_\_\_

Date : \_\_\_\_\_

\* Please detach and return ONLY this letter of acceptance after it has been endorsed.

## **ADDITIONAL TERMS AND CONDITIONS FOR TAX INCENTIVES**

### **Inland Revenue Authority of Singapore**

1. If the Company carries on any non-qualifying activity during the period of the Incentive, it shall maintain a separate account in respect of each non-qualifying activity and in respect of the same accounting period, to the satisfaction of the Comptroller of Income Tax.
2. IRAS may inform the Building and Construction Authority (the “BCA”) of any non-compliance of incentive conditions that IRAS comes across when reviewing the tax returns.

### **Related Party Transactions**

3. The Company shall carry out any transaction with a related party at arm’s length. A ‘related party’, in relation to any entity, means any other entity who, directly or indirectly, controls that entity, or is controlled, directly or indirectly, by that entity, or where both entities, directly or indirectly, are under the common control of a common entity. Hence, related parties include associated enterprises and separately taxable entities of an enterprise, such as permanent establishments of the enterprise.

### **Co-operation with BCA**

4. The Company shall –
  - (a) upon receipt of at least two weeks’ notice in writing from BCA, and for the purpose of allowing BCA to determine whether the Company is complying with the terms and conditions of the Incentive, permit BCA officers to inspect the approved building or structure, the Company's accounts on expenditures related to said project and the Company’s records on the progress of said project. Any inspections shall be carried out at reasonable intervals;
  - (b) inform BCA of any changes in the Company's shareholders in the event that they are different from those indicated in its Application or where changes to the Company’s direct or indirect shareholders may impact the meeting of the terms and conditions of the Incentive, as well as changes in the Company’s principal activities which is not stated in its Application;
  - (c) if required by BCA, submit a report in writing and/or an external auditor’s report setting out its progress in meeting the terms and conditions of the Incentive.

(d) if required by BCA, submit a copy of its annual financial statements and audited accounts, together with the detailed profit and loss statement; and

(e) provide information reasonably related to the Incentive as well as other information required by BCA including responses to surveys or any other studies that may be carried out by BCA from time to time.

### **Termination and Default**

5. The Company shall comply with the terms and conditions set out in the Letter of Offer until the end of the period of validity of the Incentive. The Company shall notify BCA as soon as possible should it fail to fulfill or maintain any said term or condition. For the avoidance of doubt, under no circumstances shall a failure to comply with the terms and conditions of the Incentive permit the Company to unilaterally treat the Incentive as having terminated or been revoked. Should the Company seek the revocation of the Incentive, it shall make a request in writing to BCA and the Incentive shall continue to have effect until such time as the request is approved and BCA notifies the Company of the revocation of the Incentive.

6. In the event of any breach of any term or condition of the Incentive, BCA shall give due consideration to a reassessment of the same. Notwithstanding the foregoing, BCA reserves the right to revoke the Incentive from the start of any tranche of the Incentive in which the breach of term or condition occurs provided that where the Company is assessed by BCA to have complied with the terms and conditions of the Incentive in respect of any preceding tranche(s), BCA shall not revoke the Incentive in respect of said preceding tranche(s). Where BCA has revoked the Incentive under this clause, the Company has to return the tax benefits that it had enjoyed during the applicable period to the Comptroller of Income Tax, who shall be entitled to recover the same from the Company. BCA also reserves the right to pursue all remedies available to it under the laws of Singapore.

7. In the event –

(a) the approved building or structure is demolished or ceases permanently to be used for the Approved Activity;

(b) the Approved Activity taking place in the approved building or structure changes at any time when the qualifying capital expenditure has not been fully claimed;

(c) the Company is likely to cease to exist as a distinct legal entity during the period of the Incentive; or

(d) where the Company is a foreign company with a branch registered in Singapore with the Accounting and Corporate Regulatory Authority, the Company's business

operations or registration with the Accounting and Corporate Regulatory Authority is likely to cease during the period of the Incentive,

then -

(i) the Company shall be obliged to inform BCA in writing of the same immediately, and in the case of sub-clauses (c) and (d), where the cessation of existence, cessation of business operations or cessation of registration is initiated by the Company, BCA shall be informed at least six months before the intended date of cessation of existence, cessation of business operations or cessation of registration, as the case may be; and

(ii) such demolition, cessation of use, change of pre-dominant activity, cessation of existence, cessation of business operations or cessation of registration, as the case may be, shall be a breach of the terms and conditions of the Incentive.

### **Confidentiality**

8. The terms and conditions of the Incentive shall be kept confidential by the Company and shall be disclosed to a director, officer or employee of the Company only to the extent that the disclosure is necessary for the said director's, officer's or employee's, as the case may be, performance of his duties. Said information shall not be disclosed to any third parties, including but not limited to the general public and the press, except with the prior written approval of BCA. Notwithstanding the generality of the foregoing, the Company may release said information, on a strictly confidential and need to know basis, to auditors, tax consultants and legal advisors as may be necessary for the purposes of obtaining professional advice PROVIDED the Company ensures that such third parties are first informed of and acknowledge in writing the confidential nature of the disclosed information.

### **Disclaimers**

9. The failure by BCA to insist upon strict performance of the terms and conditions of the Incentive shall not constitute a waiver of any of BCA's rights herein, at law or in equity, or a waiver of BCA's right to compliance, subsisting or future, with any other term or condition of the Incentive.

10. No waiver or variation of the terms and conditions of the Incentive shall be valid unless such waiver or variation is notified or agreed upon in writing by a duly authorised representative of BCA of Group Director-level or higher.

11. Neither BCA nor the Company shall by virtue of the Letter of Offer, be deemed to be in a relationship of partnership, agency or employment with the other.

12. No person, save BCA and the Company, shall have any right under any statutory provisions or applicable law to the extent their operation may be excluded, to enforce against BCA or the Company any of the terms or conditions of the Incentive.

### **Others**

13. The award of an Incentive shall not absolve the Company from its obligation to comply with the requirements of any law for the time being in force that applies to its operations.

14. BCA reserves the right to amend the terms and conditions of the Incentive from time to time and as may be deemed necessary by BCA.

15. The Letter of Offer embodies the entire agreement between BCA and the Company in respect of the Incentive and any prior or contemporaneous representations, either oral or written, are hereby superseded.

16. All references to any Act in the Letter of Offer shall include any legislation amending, revoking and/or replacing such Act or part thereof and any subsidiary legislation (including rules, regulations or orders) made under or pursuant to it.

17. Headings or titles in this Letter of Offer are for reference and convenience only and do not form part of this Letter of Offer and shall not affect its interpretation.



To be submitted upon issuance of final TOP

BCA Ref: BCA XXX  
Project Ref: LIA / OXX-2017

&lt;DATE&gt;

Construction Productivity and Quality Group  
Building and Construction Authority  
52 Jurong Gateway Road #12-00  
Singapore 608550

Attention: Ms Adeline Loo

**LAND INTENSIFICATION ALLOWANCE INCENTIVE – VERIFICATION FORM**Part A: To be filled in by taxpayer awarded LIA incentive:

Name of Taxpayer:	
Address of LIA building or structure:	
Name of user of LIA building or structure:	
Industry sector of user:	
Principal activity of the user:	
SSIC of principal activity of the user:	

For extension projects/ renovation works amounting to Addition and Alteration (A&A) works, please state the existing Gross Plot Ratio (GPR) prior to carrying out the extension/ renovation works amounting to A&A works to the approved LIA structure:

\_\_\_\_\_

Date of issue of final Temporary Occupation Permit of the approved building or structure is \_\_\_\_\_.

- (i) I declare that the information provided in this form is accurate and complete and I have not wilfully suppressed any material fact.
- (ii) I declare that at least 80% of the total floor area of the approved building or structure receiving the final Temporary Occupation Permit (TOP) is used by the User for carrying out the Approved Activity.
- (iii) I undertake to inform the BCA immediately of any changes to the information given in this form and if so requested, provide all relevant documents supporting such changes.
- (iv) I understand that the BCA shall have the right to reject this form if any information submitted hereto is found to be incomplete, false or misleading in any material aspect.

(v) I understand that the BCA reserves the right to withdraw its approval if there is any misrepresentation or false declaration in this form.

Signature : \_\_\_\_\_  
<Name>, CEO / Managing Director

Company Stamp : \_\_\_\_\_  
<Company Name>

Date : \_\_\_\_\_

**Annex 2A**

To be submitted upon issuance of final TOP

Part B: To be filled in by a Qualified Person (either a registered architect or a registered professional engineer):

I declare that the Gross Plot Ratio of the LIA building or structure at  
<Address: \_\_\_\_\_>  
on <Date: \_\_\_\_\_> being the date of issue of Temporary Occupation Permit /  
completion of the construction or extension project/ renovation works amounting to  
Addition and Alteration (A&A) works\* is \_\_\_\_\_.

- (i) I declare that the information provided in this form is accurate and complete and I have not willfully suppressed any material fact.
- (ii) I undertake to inform the BCA immediately of any changes to the information given in this form and if so requested, provide all relevant documents supporting such changes.

*\*delete whichever is inapplicable*

Full Name & designation of Qualified Person: \_\_\_\_\_

Qualified Person Stamp: \_\_\_\_\_

Company Stamp: \_\_\_\_\_  
<Company Name> <auto-fill>

Contact Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Annex 2B

To be submitted upon issuance of interim TOP before the final TOP

BCA Ref: BCA XXX  
Project Ref: LIA / OXX-2017

<DATE>

Construction Productivity and Quality Group  
Building and Construction Authority  
52 Jurong Gateway Road #12-00  
Singapore 608550

Attention: Ms Adeline Loo

### LAND INTENSIFICATION ALLOWANCE INCENTIVE – VERIFICATION FORM

Name of Taxpayer:	
Address of LIA building or structure:	
Name of user of LIA building or structure:	
Industry sector of user:	
Principal activity of the user:	
SSIC of principal activity of the user:	

For extension projects/ renovation works amounting to Addition and Alteration (A&A) works projects, please state the existing Gross Plot Ratio (GPR) prior to carrying out the extension/ renovation works amounting to A&A works to the approved LIA structure: \_\_\_\_\_

Date of issue of Temporary Occupation Permit of single approved building or structure is \_\_\_\_\_.

- (i) I declare that the information provided in this form is accurate and complete and I have not wilfully suppressed any material fact.
- (ii) I undertake to inform the BCA immediately of any changes to the information given in this form and if so requested, provide all relevant documents supporting such changes.
- (iii) I understand that the BCA shall have the right to reject this form if any information submitted hereto is found to be incomplete, false or misleading in any material aspect.
- (iv) I understand that the BCA reserves the right to withdraw its approval if there is any misrepresentation or false declaration in this form.

Signature : \_\_\_\_\_  
<Name>, CEO / Managing Director

Company Stamp : \_\_\_\_\_  
<Company Name>

Date : \_\_\_\_\_