



Application Form & Guidelines

Tax Incentives Scheme for Chemical Hazards Control



**MINISTRY OF
MANPOWER**

ONE-YEAR ACCELERATED DEPRECIATION ALLOWANCE FOR CHEMICAL HAZARD CONTROL
PURCHASE OF SELECTED NEW MACHINE, EQUIPMENT OR SYSTEM

PART I – PARTICULARS (to be completed by applicant)

(A) Applicant's Information

Name of applicant: _____

Address of applicant: _____

ROC/ROB No: _____ Factory Registration No: _____

Name of factory: _____

Address of factory: _____

Tel: _____ Fax: _____

Year of assessment claimed for: _____

Whether financial grants in respect of the above expenditure from other Government agencies are obtained: Yes / No

If Yes, state the amount of grant received: \$ _____

(B) Capital expenditure incurred/claimed (attach relevant receipts)

Cost of machine/equipment/system: \$ _____
(The cost of new machine, equipment or system can only be included if it has **intrinsic and inherent** chemical hazard control feature.)

Consultancy fee: \$ _____

Certification fee: \$ _____

Total expenditure: \$ _____

(C) Information on Control Measure

Type of new machine/equipment/system
(Tick [✓] in the appropriate box)

Water-based degreasing machine/system:
Name of water-based degreasing chemical

Local exhaust ventilation system
Fugitive emission control system
Type of control system

Automated bagging/packing system
Automated degreasing machine/system
Other machine, equipment or system
certified by PSB or NUS

Date of acquisition/installation: _____
Brand/Manufacturer (where applicable) _____
Model/Serial No(s) (where applicable) _____
Vendor's Name _____
Vendor's Address _____

Process applied to: _____

Description of how control measure reduces chemical exposure (*attach photographs or illustrations*)

I certify that all the information given in this form is true and correct

Date

Name, Designation. Signature of Applicant

PART II – CERTIFICATION (*to be completed by certifying agency*)

Declaration:

I hereby certify that I have carried out an evaluation of the above mentioned control measure and, to the best of my knowledge and ability, I find the control measure to have satisfied the qualifying criteria. A copy of the Evaluation Report is appended.

Date

Name, Designation. Name of Certifying Agency & Signature of Certifying Person

PART III– RECOMMENDATION (*to be completed by MOM officer*)

We support/do not support the above application/certification.

Date

for Director, Specialist Department,
Occupational Safety and Health Division,
Ministry of Manpower

NOTE:

In your submission to the Ministry of Manpower, please submit a copy of this Application and attach the following supporting documents:

- i) Evaluation report
- ii) Layout plan indicating the locations of the measurement points
- iii) Product brochures/illustrations, if available
- iv) Relevant receipts and/or invoices
- v) Safety Data Sheets (SDS) of chemicals used

Incomplete application may result in processing delays.

Ministry of Manpower
Occupational Safety and Health (OSH) Division
OSH Specialist Department
May 2007

**ONE-YEAR ACCELERATED DEPRECIATION ALLOWANCE FOR CHEMICAL HAZARD CONTROL
INSTALLATION OF ENGINEERING CONTROL MEASURES FOR EXISTING
MACHINES, EQUIPMENT OR PROCESSES**

PART I – PARTICULARS *(to be completed by applicant)*

(A) Applicant's Information

Name of applicant: _____

Address of applicant: _____

ROC/ROB No: _____ Factory Registration No: _____

Name of factory: _____

Address of factory: _____

Tel: _____ Fax: _____

Year of assessment claimed for: _____

Whether financial grants in respect of the above expenditure from other Government agencies are obtained: Yes / No

If Yes, state the amount of grant received: \$ _____

(B) Capital expenditure incurred/claimed *(attach relevant receipts)*

Cost of machine/equipment/system: \$ _____

Consultancy fee: \$ _____

Certification fee: \$ _____

Total expenditure: \$ _____

(C) Information on Control Measure

Type of engineering control measures installed (*Tick [✓] in boxes where applicable, and circle key control measure if there are more than 1*)

Local exhaust ventilation system

Dilution ventilation system

Enclosed system

Automated system

Fugitive emission control system

Type of control system

Modification to machine, equipment or process

Date of acquisition/installation: _____

Brand/Manufacturer (where applicable) _____

Model/Serial No(s) (where applicable) _____

Vendor's Name _____

Vendor's Address _____

Process applied to: _____

Description of machine, equipment or process before control

Description of how control measure reduces chemical exposure (*attach photographs or illustrations*)

I certify that all the information given in this form is true and correct

Date

Name, Designation. Signature of Applicant

PART II – CERTIFICATION (*to be completed by certifying agency*)

Declaration:

I hereby certify that I have carried out an evaluation of the above mentioned control measure and, to the best of my knowledge and ability, I find the control measure to have satisfied the qualifying criteria. A copy of the Evaluation Report is appended.

Date

Name, Designation. Name of Certifying Agency & Signature of Certifying Person

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We support/do not support the above application/certification.

Date

for Director, Specialist Department,
Occupational Safety and Health Division,
Ministry of Manpower

NOTE:

In your submission to the Ministry of Manpower, please submit a copy of this Application Form in duplicate, and attach the following supporting documents:

- Evaluation report
- Layout plan indicating the locations of the measurement points
- Product brochures/illustrations, if available
- Relevant receipts and/or invoices
- Safety Data Sheets (SDS) of chemicals used

Incomplete application may result in processing delays.

Ministry of Manpower
Occupational Safety and Health (OSH) Division
OSH Specialist Department
May 2007

GUIDELINES, QUALIFYING CRITERIA AND APPLICATION PROCEDURE

The purpose of this tax incentive scheme is to encourage workplaces to implement effective engineering measures to control chemical hazards.

Guidelines

1. Accelerated depreciation allowance will be granted to any person carrying on a trade, business or profession for capital expenditure incurred on the provision of the following certified items:
 - a. Machinery, equipment or system which reduces or eliminates exposure to chemical risk;
 - b. Effective chemical hazard control device which is a distinct entity **or** an accessory of any new or existing machine, equipment or process; or
 - c. Effective chemical hazard control measure for any existing machine, equipment or process
2. Only machines, equipment, systems, control devices or measures installed in factories registered with the Ministry of Manpower can qualify for this accelerated depreciation allowance. Non-factory establishments may apply and the applications will be considered on a case by case basis.
3. Under this scheme, the accelerated depreciation allowance will be for a period of one year, which means that capital expenditure on the specified measures can be expensed off in one year.
4. The accelerated depreciation allowance will not be granted for measures for which the applicant has obtained financial grants from other Government agencies.

Criteria for Granting Accelerated Depreciation

1. Details of the qualifying criteria for granting the accelerated depreciation allowance are given in the table attached.
2. Only new items of machines, equipment, devices, measures or systems qualify under the scheme. Second-hand or reconditioned items will not be eligible for the allowance.
3. The titles of such machines, equipment, devices, measures or systems have to be transferred to the applicant by purchase. Leasehold or rented items will not be eligible for the allowance.
4. The implementation of the control measure(s) must not give rise to other health risks, for example, excessive noise exposure. To avoid this and to ensure the effectiveness of the control measure(s), the applicant should engage a competent consultant or agency. A list of companies that may be able to assist is attached.
5. All air levels must be measured and certified by either the Environmental Technology Centre (ETC) of the TUV SUD PSB Corporation Pte Ltd, or the Centre for Environmental and Occupational Health (CEOH) of the National University of Singapore. Details on the fees are in Annex C.
6. The measurements must be representative. They must be taken over at least half a work-shift and at 1 metre periphery of the machine, equipment or process or at the operator's position, whichever is nearer. In the case of installation of engineering control measures for existing machines, equipment or processes, such measurements must be conducted both before and after the installation. A third measurement must be made if the result after the installation is more than

half the value of the set criteria. In such cases, the average of the second and third results will be used.

Application Procedure

1. The applicant shall:
 - a. Engage any of the two Certifying Agencies mentioned below to:
 - i. Conduct the necessary air level measurements;
 - ii. Put up the Evaluation Report showing that the qualifying criteria are metThe two agencies are:
 - i. TUV SUD PSB Corporation Pte Ltd
1 Science Park Drive
Singapore 118221
Tel: 6778 7777/ 6885 1214
Fax: 67784301
 - ii. Centre for Environmental and Occupational Health (CEOH)
Department of Community, Occupational and Family Medicine
National University of Singapore
Lower Kent Ridge Road, MD3
Singapore 119260
Tel: 6516 4999
 - b. Complete the Applicant's Particulars Form.
 - c. Certify Part I of the Application/Certification Form and obtain the Certifying Agency's Evaluation Report and certification in Part II of the Application/Certification Form. Form B (1) is to be used for **new** equipment or systems, while Form B(2) is for control measures in respect of **existing** machines, equipment or processes.
 - d. Send the completed Application/Certification Form, together with one copy of the Evaluation Report, with attached layout plan and/or product brochures/illustrations, to the Occupational Safety & Health Division for appraisal and recommendation. Applications with incomplete information will not be processed.
2. If the application is supported, the applicant shall submit the completed Application/Certification Form and the Evaluation Report, together with relevant supporting documents, including receipts, direct to the Inland Revenue Authority of Singapore (IRAS) when submitting the tax returns.
3. A flow chart showing the application/certification process is in Annex D.

For enquiries:

Occupational Safety and Health Specialist Department, Occupational Safety and Health Division, Ministry of Manpower.

Email: mom_oshd@mom.gov.sg Tel: 6438 5122

Annexes:

- A. Qualifying Criteria for Accelerated Depreciation Allowance for Chemical Hazard Control
- B. List of consultants and agencies providing chemical hazard control services
- C. Fees Chargeable by Certifying Agencies
- D. Flow chart showing application/certification process
- E. Frequently Answered Questions and Example of Tax Computation

Qualifying Criteria for Accelerated Depreciation Allowance for Chemical Hazard Control

Type	Category*	Qualifying Criteria
<p>New machines that reduce or eliminate exposure to chemical risk (such machines should have an intrinsic or inherent chemical hazard control feature)</p>	<ol style="list-style-type: none"> 1. Water-based degreasing machine or system 2. Automated bagging/packing machine or system 3. Automated degreasing machine or system 4. Any other machine, equipment or system. 4a. Hydrogen gas generator for metal cutting and welding. 4b. Laser marker for marking/labelling of electronic components. 4c. Closed-loop dust-free blasting machine. 	<p>The concentration of the toxic substance given off from the machine, equipment or system must be below 50% of the PEL**.</p>
<p>Chemical hazard control devices (applied to new or existing machines)</p>	<ol style="list-style-type: none"> 5. Local exhaust ventilation system 6. Fugitive emission control equipment or system, e.g., vapour recovery system, enclosed pump, floating roof and condensing unit. 7. Dilution ventilation system to minimise concentrations of airborne contaminants 	<p>Where the chemical hazard control device is a distinct entity or accessory and not an intrinsic or inherent part of any machine, equipment or process and where:</p> <p>(a) the machine, equipment or process is new, the concentration of the toxic substance must be below 50% of the PEL.</p> <p>(b) the machine, equipment or process is not new:</p> <ol style="list-style-type: none"> i. if the initial concentration of the toxic substance is above 50% of the PEL, the concentration of the toxic substance must be reduced to below 50% of the PEL after the installation of the control device; or ii. if the initial concentration of the toxic substance is below 50% of the PEL the concentration of the toxic substance must be reduced to below 10% of the PEL after the installation of the control device.
<p>Chemical hazard control measures (applied to existing machines)</p>	<ol style="list-style-type: none"> 8. Enclosed or automated system to minimise generation of airborne contaminants 9. Modification of machines, equipment or processes to minimise generation of airborne contaminants. 	<p>The chemical hazard control measure installed for any existing machine, equipment or process must reduce the concentration of toxic substance to:</p> <ol style="list-style-type: none"> (a) below 50% of the PEL if the initial concentration of the toxic substance is above 50% of the PEL; or (b) below 10% of the PEL if the initial concentration of the toxic substance is below 50% of the PEL.

* This list of equipment and systems is not exhaustive and may be modified or updated from time to time.

** PEL refers to the Permissible Exposure Level of the chemical(s) as specified in the First Schedule of Workplace Safety and Health (General Provisions) Regulations 2006.
http://www.mom.gov.sg/publish/momportal/en/legislation/Occupational_Safety_and_Health/workplace_safety_and/workplace_safety_and0/wsh_general_provision.html

List of consultants and agencies providing chemical hazard control services

Organisation	Address	Telephone
AAF Asia Pte Ltd	8 Gul Circle, Singapore 629564	68613696
AD Safety	1 Shipyard Road, Singapore 628128	62681221
Airverclean Pte Ltd	705 Sims Drive, #04-10, Shun Li Industrial Complex, Singapore 387384	67415800
Airwave Pte Ltd	Blk 1085, #01-02, Eunos Ave 7A, Singapore 409535	67438888
Asia Airblast Pte Ltd	No 45 Kian Teck Drive Blk 2 #02-00 Singapore 628859	62666010
Azen Manufacturing Pte Ltd	29 Kian Teck Drive, Singapore 628846	62610277
Building Metal Enterprise Pte Ltd	Blk 21 Pioneer Road North, #01-109/110, Singapore 628467	62613328
Delichem Pte Ltd	10 Pandan Crescent #05-01 UE TECH PARK Singapore 128466	67743660
Semiconductor Technologies & Instruments Pte Ltd	Blk 25 Kallang Ave #06-01/02 Kallang Basin Industrial Estate Singapore 339416	63926922
Southern Engineering Construction	29 Sungei Kadut Street 4, Singapore 729054	63658542

Comprehensive listings are available on:

(i) Ultrasonic Cleaning Equipment

<http://www.eguide.com.sg/productservice-25359-ultrasoniccleaningequipment-Singapore,Asia.html>

(ii) Air cleaning equipment

<http://www.eguide.com.sg/productservice-27-aircleaningpurifyingequipment-Singapore,Asia.html>

(iii) Others

<http://www.chemonline.com.sg/directory/default.asp?se=equipments>

Note: This list is not exhaustive and will be updated from time to time. Inclusion of companies in this list does not in any way imply recommendation on the part of the Ministry of Manpower (MOM) of their services. MOM expressly disclaims all responsibilities and liabilities of every kind and nature.

Fees for Chemical-in-air Assessment

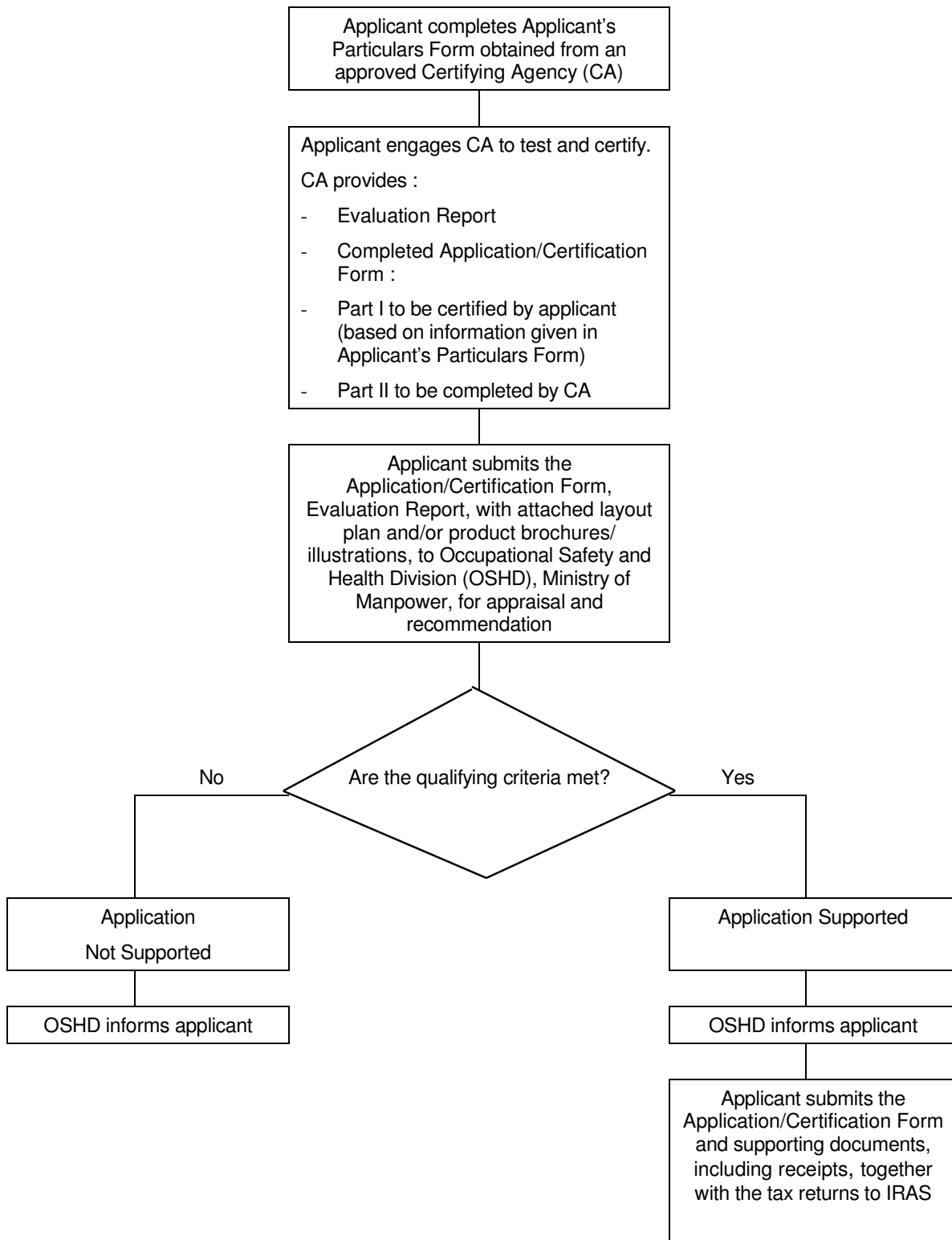
No. of samples	Fee		
	1 analyte	2 analytes	3 analytes
4	\$1500	\$2300	\$2900
8	\$2100	\$3300	\$4100
12	\$2300	\$3500	\$4700

Note:

1. For assessments involving more than 3 analytes and/or 12 samples, please consult the certifying agency for the fees chargeable.
2. Where a chemical assessment is not required, an administrative fee of **\$200** will be charged for the certification process.

(Correct as of September 2006)

Application/Certification Process For Accelerated Depreciation Allowance for Chemical Hazard Control



Frequently Answered Questions

Q: Is there a qualifying period for purchase or installation of noise or chemical hazard control measures?

A: Yes. Only equipment purchased or installed after 1 Jan 1998 can qualify for the tax incentive.

Q: How do I know that the qualifying criteria are met?

A: You have to engage a Certifying Agency to check and if necessary assess the effectiveness of the control measures, and to determine whether the qualifying criteria are met.

Q: What is the fee chargeable by the Certifying Agency?

A: Where no assessment of exposure levels is required, the administration fee is \$200. Where assessments are required, the fees would depend on the number of samples (for chemical hazard evaluation) and duration of measurements (for noise assessment).

Q: Can a taxpayer defer his claims (100% write off in one year) for the accelerated allowances? If so, how long can he defer?

A: Yes. A taxpayer can defer his claims if his company does not make any profit within an assessment year. There is no time restriction on deferment.

Q: Sometimes, factories may have to make several attempts to reduce the exposure levels to meet the qualifying criteria and this may take a few years to achieve. In such cases, can factories claim the accelerated allowances based on the total expenditure incurred over the years?

A: In principle, claims can only be made for the expenditure incurred in the final attempt that meets the qualifying criteria. However, if the final measure taken is part of the whole control system (e.g. modifying the exhaust fan of a local exhaust system), the claims may be based on the total expenditure incurred in implementing the whole control system. Such cases will be considered on a case by case basis.

Q: Tax assessment period varies. Must the control measure be done during the tax assessment period? What happens if the control measures take longer than a tax year?

A: Generally there is no time restriction on this. However, control measures should be implemented as soon as possible to safeguard the health of exposed personnel. Assessment of exposure levels, if applicable should be conducted within one year.

Q: What are the components of the capital expenditure incurred for the hazards control?

A: This includes cost of machine/equipment/system, the consultancy fee as well as the certification fee paid to the Certifying Agency.

Example of Tax Computation

	Without Tax Incentive Scheme	Tax Incentive Scheme
(1) Original chargeable income	\$100,000	\$100,000
(2) Capital expenditure incurred for control	-	\$40,000
(3) New chargeable income = (1) – (2)	\$100,000	\$60,000
Tax @ 20%*	\$20,000	\$12,000
Savings	20,000-12,000 = 8,000 (i.e. 20% of \$40,000)	

* dependent on prevailing figures given by Inland Revenue Authority of Singapore.