

Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations

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INCOME TAX ACT (CHAPTER 134, SECTION 43N)

INCOME TAX (CONCESSIONARY RATE OF TAX OR EXEMPTION FOR INCOME DERIVED FROM DEBT SECURITIES) REGULATIONS

Rg 32

G.N. No. S 479/1999

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[2nd November 1999]

Citation

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations.

Definitions

2. In these Regulations —

“Authority” means the Monetary Authority of Singapore;

[S 239/2016 wef 28/06/2013]

“debt securities”, “Islamic debt securities”, “primary dealer” and “Singapore Government securities” have the same meanings as in section 43N of the Act;

[S 51/2006 wef 01/01/2005]

“break cost”, “financial institution”, “prepayment fee”, “qualifying debt securities” and “redemption premium” have the same meanings as in section 13(16) of the Act.

[S 398/2008 wef 15/02/2007]

Concessionary rate of tax

3. Tax shall be payable at the rate of 10% on —

(a) any interest derived by a company on or after 28th February 1998 from any qualifying debt securities issued during the period from 28th February 1998 to 25th April 1999;

[S 214/2001 wef 10/04/2001]

(aa) subject to section 43N(2) of the Act, regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations 2001 (G.N. No. S 212/2001), any interest derived by a company on or after 26th April 1999 from any qualifying debt securities issued during the period from 26th April 1999 to 31st December 2023;

[S 239/2016 wef 01/01/2014]

[S 267/2009 wef 01/01/2009]

[S 349/2005 wef 01/01/2004]

[S 349/2005 wef 03/12/2003]

[S 214/2001 wef 10/04/2001]

[S 868/2018 wef 27/12/2018]

(ab) subject to section 43N(2) of the Act, regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations (Rg 35), any discount derived by a company from any qualifying debt securities which are —

(i) issued during the period from 27th February 2004 to 16th

February 2006 and mature within one year from the date of issue; or

- (ii) issued during the period from 17th February 2006 to 31st December 2023;

[\[S 239/2016 wef 01/01/2014\]](#)

[\[S 267/2009 wef 01/01/2009\]](#)

[\[S 98/2007 wef 17/02/2006\]](#)

[\[S 868/2018 wef 27/12/2018\]](#)

- (ac) subject to section 43N(2) of the Act, regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations (Rg 35), any amount payable to any company from any Islamic debt securities which are qualifying debt securities, and issued during the period from 1st January 2005 to 31st December 2023;

[\[S 239/2016 wef 01/01/2014\]](#)

[\[S 267/2009 wef 01/01/2009\]](#)

[\[S 51/2006 wef 01/01/2005\]](#)

[\[S 868/2018 wef 27/12/2018\]](#)

- (ad) subject to section 43N(2) of the Act, regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations (Rg 35), any break cost, prepayment fee or redemption premium derived by a company on or after 15th February 2007 from any qualifying debt securities issued during the period from 15th February 2007 to 31st December 2023;

[\[S 239/2016 wef 01/01/2014\]](#)

[\[S 267/2009 wef 01/01/2009\]](#)

[\[S 398/2008 wef 15/02/2007\]](#)

[\[S 868/2018 wef 27/12/2018\]](#)

- (b) any income derived by a financial institution from trading in any debt securities during the period from 28th February 1998 to 31st December 2003; and

[\[S 349/2005 wef 03/12/2003\]](#)

- (c) any income derived by any financial institution during the period commencing from the first day of its basis period for the year of assessment 2001 to 31st December 2003 from —

- (i) providing services as an intermediary in connection with any transaction involving interest rate or currency swaps; and

- (ii) trading in interest rate or currency swaps.

[\[S 349/2005 wef 03/12/2003\]](#)

Tax exemption

4. There shall be exempt from tax —

- (a) any income derived by a financial institution on or after 28th February 1998 from arranging, underwriting and distributing any qualifying debt securities issued during the period from 28th February 1998 to 25th April 1999;

[S 214/2001 wef 10/04/2001]

- (aa) subject to regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations 2001 (G.N. No. S 212/2001), any income derived by a financial institution before 1st January 2004 from arranging, underwriting and distributing any qualifying debt securities issued during the period from 26th April 1999 to 31st December 2003; and

[S 349/2005 wef 03/12/2003]

[S 214/2001 wef 10/04/2001]

- (b) notwithstanding regulation 3(b), any income derived by a primary dealer from trading in any Singapore Government securities during the period from 27th February 1999 to 31st December 2023.

[S 239/2016 wef 01/01/2014]

[S 267/2009 wef 01/01/2009]

[S 868/2018 wef 27/12/2018]

Determination of income chargeable to tax at concessionary rate

5. For the purposes of regulation 3, the Comptroller shall determine —

- (a) the income chargeable to tax of a company or financial institution, as the case may be, having regard to such expenses, capital allowances and donations allowable under the Act as are, in his opinion, to be deducted in ascertaining such income; and
- (b) the manner and extent to which any losses arising from the activities specified in these regulations may be deducted under the Act in ascertaining the chargeable income of a company or financial institution, as the case may be.

[S 51/2006 wef 26/01/2006]

Determination of income exempted from tax

6.—(1) In determining the income of a financial institution or a primary dealer to be exempted from tax under regulation 4 —

- (a) the Comptroller shall have regard to such expenses and capital allowances allowable under the Act as are, in his opinion, to be deducted in ascertaining such income;
- (b) there shall be deducted from that income any allowances under section 19, 19A, 20, 21 or 22 attributable to that income notwithstanding that no claim

[S 520/2013 wef Y/A 2013 & Sub. Ys/A]