

Income Tax (Exemption of Foreign Income) Order 2016

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No. S 94

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF FOREIGN INCOME) ORDER 2016

In exercise of the powers conferred by section 13(12) of the Income Tax Act, the Minister for Finance makes the following Order:

Citation

1. This Order is the Income Tax (Exemption of Foreign Income) Order 2016.

Definitions

2. In this Order —

“IRAS e-tax guide” means the IRAS e-tax guide entitled “Income Tax: Tax Exemption under Section 13(12) for Specified Scenarios, Real Estate

Investment Trusts and Qualifying Offshore Infrastructure Project/Asset (Third Edition)” published on 19 June 2015;

“scenario” means a scenario (including Scenario F) described in paragraph 4.2 in the IRAS e-tax guide, being one in which income from a source in a country outside Singapore may be received in Singapore;

“Scenario F” means the scenario described in paragraph 4.2.6 in the IRAS e-tax guide, being one in which income from a source in a country outside Singapore may be received in Singapore.

Exemption

3.—(1) Fraser & Neave, Limited is granted exemption from tax on the capital gains dividends and income dividends received in Singapore from its subsidiary, Fraser & Neave Holdings Bhd, a company incorporated in Malaysia.

(2) The exemption in sub-paragraph (1) is subject to the terms and conditions specified in the letters of approval dated 15 August 2014 and 26 February 2015 addressed to Allen & Gledhill LLP, the tax agent of Fraser & Neave, Limited.

(3) In this paragraph —

“capital gains dividends” means dividends which are declared out of capital gains of Fraser & Neave Holdings Bhd arising from any one or more of the following:

- (a) disposal of shares in Malaya Glass Products Sdn Bhd and Brampton Holdings Sdn Bhd;
- (b) writing-back of excess provision for costs in connection with the disposal of shares in Malaya Glass Products Sdn Bhd;
- (c) the share capital reduction exercise undertaken by Fraser & Neave (Malaya) Sdn Bhd on 25 May 2010;
- (d) unrealised foreign exchange gains;

“income dividends” means dividends which are —

- (a) declared out of the income of Fraser & Neave Holdings Bhd, being income received (directly or indirectly) from a company in the first column of the Schedule and paid out of the company’s capital gains or income specified in the second column of the Schedule corresponding to the company; and
- (b) received by Fraser & Neave, Limited in Singapore —