

# **Income Tax (Exemption of Income of Locally Administered Trust) Regulations 2007**

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**No. S 693**

## **INCOME TAX ACT (CHAPTER 134)**

### **INCOME TAX (EXEMPTION OF INCOME OF LOCALLY ADMINISTERED TRUST) REGULATIONS 2007**

In exercise of the powers conferred by section 13Q of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

#### **Citation and commencement**

1. These Regulations may be cited as the Income Tax (Exemption of Income of Locally Administered Trust) Regulations 2007 and shall be deemed to have come into operation on 17th February 2006.

#### **Definitions**

2.—(1) In these Regulations —

“eligible locally administered trust” means a locally administered trust created in writing —

- (a) which does not arise from a will or from the administration of the estate of a deceased person;
- (b) the assets of which do not, at any time, include assets transferred (other than by way of a sale on market terms and conditions) from any person carrying on business in Singapore, where the income derived by that person from that business was not, or would not have been if not for the transfer, exempt from tax; and
- (c) which is administered by a trustee company in Singapore;

“holding company”, in relation to a locally administered trust, means a company —

- (a) which is not subject to the provisions of section 44 of the Act;
- (b) which is set up to hold the assets of the locally administered trust;
- (c) the operations of which consist solely of trading or making investments for the purpose of the locally administered trust; and
- (d) all the shares of which are held by trustees of the locally administered trust, or by their nominee or nominees,

but does not include —

- (i) a company the shares of which have been transferred to the locally administered trust, where, at any time prior to any such transfer, the company was carrying on a business in Singapore which generated income that was not, or would not have been if not for the transfer, exempt from tax; or
- (ii) on or after 21st December 2007, a company, the relevant income of which is derived from assets which have been transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore, where the income derived by that person from those assets was not, or would not have been if not for their transfer, exempt from tax;

“nominee” means any person who acts as a nominee or custodian in relation to shares of a holding company for and on behalf of the trustees of a locally administered trust.

(2) For the purposes of these Regulations, a locally administered trust is administered