

# **Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 2) Notification 2012**

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INCOME TAX ACT  
(CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND  
OTHER PAYMENTS FOR ECONOMIC AND  
TECHNOLOGICAL DEVELOPMENT) (NO. 2)  
NOTIFICATION 2012

In exercise of the powers conferred by section 13(4) of the Income Tax Act, the Minister for Finance hereby makes the following Notification:

**Citation and commencement**

1. This Notification may be cited as the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 2) Notification 2012 and shall be deemed to have come into operation on 15th October 2010.

**Definitions**

2. In this Notification —

“basis period” means the basis period for any year of assessment;

“qualifying amount” means —

- (a) any interest, commission, fee or other payment; or
- (b) any income derived from loans,

which is deemed under section 12(6) of the Act to be derived from Singapore.

**Exemption from tax of qualifying amount paid by trustee of prescribed trust fund referred to in section 13C of Act**

3.—(1) There shall be exempt from tax any qualifying amount liable to be paid by a trustee of a trust fund to a person who is neither resident in Singapore nor a permanent establishment in Singapore, if the payment is liable to be made on or after 15th October 2010 and during either of the following basis periods:

- (a) a basis period where all of the following conditions are satisfied throughout that basis period:
  - (i) the trust fund satisfies all the conditions in regulation 3(1) of the Income Tax (Exemption of Income of Trustee of Trust Fund Arising from Funds Managed by Fund Manager in Singapore)

Regulations 2010 (G.N. No. S 7/2010);

- (ii) the funds of the trust fund are managed in Singapore by a fund manager;
- (iii) the trustee of the trust fund (not being a trust fund referred to in regulation 3(2) of the Income Tax (Exemption of Income of Trustee of Trust Fund Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010) does not, in its capacity as such trustee —
  - (A) have a permanent establishment in Singapore (other than due to its functions as such trustee, or the presence of a fund manager or any other person who acts on behalf of the trustee in carrying out its functions as such trustee); or
  - (B) carry on any other business in Singapore, other than with the approval of the Minister or a person appointed by him,

being the first time that all of those conditions are satisfied throughout a basis period;

- (b) a basis period immediately following another basis period, where all of those conditions are satisfied throughout that other basis period.

(2) Sub-paragraph (1) shall not apply to a trustee of a trust fund referred to in section 13C(3) of the Act.

### **Exemption from tax of qualifying amount paid by prescribed person referred to in section 13CA of Act**

4.—(1) There shall be exempt from tax any qualifying amount liable to be paid by a person to another person who is neither resident in Singapore nor a permanent establishment in Singapore, if the payment is liable to be made on or after 15th October 2010 and during either of the following basis periods:

- (a) a basis period where all of the following conditions are satisfied throughout that basis period:
  - (i) the first-mentioned person satisfies all the conditions in paragraph (a), (b) or (c) (whichever is applicable) of the definition of “prescribed person” in regulation 2(1) of the Income Tax (Exemption of Income of Non-residents Arising

from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 6/2010);

- (ii) the funds of the first-mentioned person are managed in Singapore by a fund manager,

being the first time that all of those conditions are satisfied throughout a basis period;

- (b) a basis period immediately following another basis period, where all of those conditions are satisfied throughout that other basis period.

(2) Sub-paragraph (1) shall not apply if the payer is a person referred to in section 13CA(10) of the Act.

### **Exemption from tax of qualifying amount paid by approved company referred to in section 13R of Act**

5. There shall be exempt from tax any qualifying amount liable to be paid by an approved company within the meaning of section 13R of the Act to a person who is neither resident in Singapore nor a permanent establishment in Singapore, if the payment is liable to be made on or after 15th October 2010 and during either of the following basis periods:

- (a) a basis period where all of the following conditions are satisfied throughout that basis period:

- (i) the company satisfies all the conditions in regulation 3(2) of the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 8/2010);

- (ii) the funds of the company are managed in Singapore by a fund manager, or by a person approved by the Minister or such person appointed by the Minister,

being the first time that all of those conditions are satisfied throughout a basis period;

- (b) a basis period immediately following another basis period, where all of those conditions are satisfied throughout that other basis period.

### **Exemption from tax of qualifying amount paid by approved person, etc., referred to in section 13X of Act**

6.—(1) There shall be exempt from tax any qualifying amount liable to be paid by an