

Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 6) Notification 2008

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No. S 683

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR
ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (NO. 6) NOTIFICATION
2008**

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. 6) Notification 2008 and shall be deemed to have come into operation on 16th May 2008.

Definitions

2. In this Notification —

“break cost”, “financial sector incentive (bond market) company”, “prepayment fee”, “qualifying debt securities”, “redemption premium” and “related party”

- have the same meanings as in section 13(16) of the Act;
- “debt securities” has the same meaning as in section 43N(4) of the Act;
- “funds from the Singapore operations”, in relation to a person, means the funds and profits of that person’s operations derived through a permanent establishment in Singapore;
- “notes” means notes issued by Toshiba Capital (Asia) Ltd under the programme;
- “programme” means the US\$1,000,000,000 Euro Medium Term Note Programme first entered into on 4th March 1996 by Toshiba Capital (Asia) Ltd;
- “specified income” means any prepayment fee, redemption premium or break cost payable in respect of any notes;
- “specified period” means the period from 16th May 2008 to 31st December 2008 (both dates inclusive).

Exemption

3.—(1) Subject to sub-paragraph (2), there shall be exempt from tax the specified income payable by Toshiba Capital (Asia) Ltd on notes issued during the specified period to any noteholder who is not resident in Singapore and —

- (a) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used by that person to acquire the notes are not obtained from that operation; or
- (b) who does not have any permanent establishment in Singapore.

(2) The exemption under sub-paragraph (1) is subject to the following terms and conditions:

- (a) all future annual updates up to 31st December 2008 to the programme are arranged by a financial sector incentive (bond market) company;
- (b) unless otherwise approved by the Minister or such person as he may appoint, the exemption shall not apply if, during the primary launch of the notes issued during the specified period —
 - (i) the notes are issued to fewer than 4 persons; and
 - (ii) 50% or more of the notes so issued are beneficially held or funded, directly or indirectly, by related parties of Toshiba Capital (Asia) Ltd;
- (c) where —