

# **Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 4) Notification 2014**

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

### **INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS ON ECONOMIC AND TECHNOLOGICAL DEVELOPMENT LOANS) (NO. 4) NOTIFICATION 2014**

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 on Economic and Technological Development Loans) (No. 4) Notification 2014 and shall be deemed to have come into operation on 1st May 2012.

## **Exemption**

**2.—(1)** Subject to the conditions imposed by the Minister pursuant to section 13(4) of the Act, there shall be exempt from tax any qualifying payment that an approved aircraft

leasing company or approved partnership is liable to pay on or after the specified date to a person who is neither a resident nor a permanent establishment in Singapore in respect of a loan (including any portion of such loan used to finance any qualifying cost), where the loan is —

- (a) obtained from a lender who is neither a resident nor permanent establishment in Singapore; and
- (b) for the acquisition by the company or partnership of one or more aircraft or aircraft engines.

(2) Nothing in sub-paragraph (1) shall apply in relation to any loan obtained by an approved aircraft leasing company or approved partnership before 1st May 2012, where the loan is already the subject of any other exemption granted to the company or partnership under the Act.

(3) Sub-paragraph (1) only applies if the approved aircraft leasing company or approved partnership has made a declaration to the Economic Development Board established under section 3 of the Economic Development Board Act (Cap. 85), in the form specified by the Board, that the requirements of sub-paragraph (1) and the conditions imposed by the Minister referred to in that sub-paragraph are, or (in the case of any condition subsequent) will be, satisfied.

(4) The exemption granted under sub-paragraph (1) to an approved aircraft leasing company or approved partnership shall cease to apply from and including the date of occurrence of the earliest of the following events:

- (a) the company or partnership disposes of the aircraft or aircraft engine, as the case may be;
- (b) the approval of the company as an approved aircraft leasing company or of the partnership as an approved partnership, is revoked or withdrawn;
- (c) the company or partnership fails to satisfy any requirement of sub-paragraph (1) or any condition imposed by the Minister referred to in that sub-paragraph.

(5) Subject to sub-paragraph (4), the exemption referred to in sub-paragraph (1) shall continue to apply to the qualifying payments made in relation to a loan obtained by an approved aircraft leasing company or approved partnership referred to in sub-paragraph (1), even after the expiry of the approval of the company or partnership as such (other than by way of revocation or withdrawal), and any reference in this paragraph to an approved aircraft leasing company or an approved partnership shall be construed accordingly.

(6) In this paragraph —