

Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 4) Notification 2018

Table of Contents

Enacting Formula

1 Citation and commencement

2 Definitions

3 Exemptions

No. S 467

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS ON ECONOMIC AND TECHNOLOGICAL DEVELOPMENT LOANS) (NO. 4) NOTIFICATION 2018

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

Citation and commencement

1. This Notification is the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 4) Notification 2018 and is deemed to have come into operation on 26 January 2017.

Definitions

2. In this Notification —

“CIMB Agreement” means the agreement entered into by Yinson Production (West Africa) Pte Ltd and CIMB Bank Berhad, Kuala Lumpur dated 9 July 2015;

“Loan Agreement” means the syndicated loan agreement (comprising 2 agreements each dated 29 December 2016) of which Yinson Production (West Africa) Pte Ltd is the debtor;

“Maybank Agreement” means the agreement entered into by Yinson Production (West Africa) Pte Ltd and Malayan Banking Berhad, Kuala Lumpur dated 9 July 2015.

Exemptions

3.—(1) The interest payable on or after 26 January 2017 by Yinson Production (West Africa) Pte Ltd to CIMB Bank Berhad (Labuan Offshore Branch), Maybank International (Labuan Branch), Export-Import Bank of Malaysia Berhad, and OCBC Al-Amin Berhad on the portion of the loan under the Loan Agreement mentioned in sub-paragraph (2), is exempt from tax.

(2) The portion of the loan is that which is used to refinance a loan of US\$780,000,000 obtained on 19 August 2015, taken in part to finance the vessel lengthening and conversion works in respect of the vessel “Yinson Genesis”, but excludes any portion of the loan that is used to offset the interest rate swap payments mentioned in sub-paragraphs (3) and (4).

(3) The interest rate swap payments made for the purpose of hedging against fluctuations in the rate of the interest mentioned in sub-paragraph (1), and payable on or after 5 June 2017 by Yinson Production (West Africa) Pte Ltd to CIMB Bank Berhad, Kuala Lumpur on a transaction amount of US\$143,750,000 under the CIMB Agreement, are exempt from tax.

(4) The interest rate swap payments made for the purpose of hedging against fluctuations in the rate of the interest mentioned in sub-paragraph (1), and payable on or after 5 June 2017 by Yinson Production (West Africa) Pte Ltd to Malayan Banking Berhad, Kuala Lumpur on a transaction amount of US\$143,750,000 under the Maybank Agreement, are exempt from tax.

(5) The total of the interest and interest rate swap payments that become due and payable on a given date, that are exempt from tax under sub-paragraphs (1), (3) and (4), must not exceed an amount computed by the following formula:

$$\frac{A}{B} \times \frac{\text{US\$447,500,000}}{\text{US\$780,000,000}} \times (C + D),$$