Income Tax (Exemption of Royalties and Other Payments for Economic and Technological Development) Notification 2001

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No. S 97

INCOME TAX ACT
(CHAPTER 134)

INCOME TAX (EXEMPTION OF ROYALTIES AND OTHER
PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL
DEVELOPMENT) NOTIFICATION 2001

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

1. This Notification may be cited as the Income Tax (Exemption of Royalties and Other Payments for Economic and Technological Development) Notification 2001.

Definitions

1A. For the purposes of this Notification —

"downloadable software" means software downloaded by an end-user from the Internet or a network for a fee and where the end-user only receives the right to use the software but is not permitted to reverse engineer, decompile, or disassemble the software;

"end-user" means an user who acquires the right to run the software on a single computer or computer network but does not have the right to exploit the copyright to the software;

"maintenance and support services" includes software technical support via telephone or on-line services, delivery of updates or upgrades, remote correction of defects, or installation services provided in connection with a site licence;

"site licence" means a software licence where —

      (*a*)   the licensee only receives the right to use the software but is not permitted to reverse engineer, decompile, or disassemble the software, or exploit the copyright to the software; and

      (*b*)   the licensee is permitted to install the software on any number of computers or servers for operation within its own business, location or facility,

and includes any maintenance and support services that are not priced separately and are incidental to the grant of the software licence;

"software bundled with computer hardware" means software that has been pre-installed in the computer hardware and is distributed under the following conditions:

      (*a*)   the software and computer hardware are sold together as a single product without being priced separately;

      (*b*)   the buyer only receives the right to use the software on the computer hardware; and

      (*c*)   the buyer is not permitted to reverse engineer, decompile, or disassemble the software, or resell the software on its own.

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