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The following Act was passed by Parliament on 14th January 2013 and assented to by the President on 13th February 2013:—

REPUBLIC OF SINGAPORE

No. 2 of 2013.

I assent.

TONY TAN KENG YAM,
President.
13th February 2013.



An Act to amend the Economic Expansion Incentives (Relief from Income Tax) Act (Chapter 86 of the 2005 Revised Edition) and to make related and consequential amendments to the Income Tax Act (Chapter 134 of the 2008 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1.—(1) This Act may be cited as the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2013.

(2) Sections 3(a) and (b) and 4 shall be deemed to have come into operation on 18th February 2008.

(3) Section 6 shall be deemed to have come into operation on 14th January 2011.

(4) Section 3(c) shall be deemed to have come into operation on 1st June 2011.

(5) Sections 5 and 7 shall be deemed to have come into operation on 17th February 2012.

(6) Section 2 shall be deemed to have come into operation on 29th February 2012.

Amendment of section 19J

2. Section 19J(5A) of the Economic Expansion Incentives (Relief from Income Tax) Act (referred to in this Act as the principal Act) is amended by deleting the comma at the end of paragraph (b) and substituting a semi-colon, and by inserting immediately thereafter the following paragraphs:

“(c) the beginning of the 21st year of the tax relief period to the end of the 30th year of, or the end of, the tax relief period, whichever is the earlier;

(d) the beginning of the 31st year of the tax relief period to the end of the 40th year of, or the end of, the tax relief period, whichever is the earlier.”.

Amendment of section 19K

3. Section 19K of the principal Act is amended —

(a) by inserting, immediately after subsection (3), the following subsections:

“(3A) Notwithstanding subsection (3) and subject to subsection (3B), the Minister may, if he is satisfied that it is expedient in the public interest to do so and

subject to such terms and conditions as he may impose, extend the tax relief period of a relevant development and expansion company (beyond the maximum total period allowed under subsection (3)) for such further period or periods, not exceeding 10 years at any one time, as he may determine.

(3B) The total tax relief period of a relevant development and expansion company under subsections (1), (2) and (3A) shall not in the aggregate exceed 40 years.

(3C) An extension of the tax relief period of a relevant development and expansion company under subsection (3A) shall only be granted during the period between 18th February 2008 and 17th February 2018 (both dates inclusive).

(3D) In subsections (3A), (3B) and (3C), “relevant development and expansion company” means a development and expansion company which engages in one or more qualifying activities, and oversees, manages or controls the conduct of any activity on a regional or global basis.”;

(b) by deleting the words “subsections (1) and (2)” in subsection (5) and substituting the words “subsection (1), (2) or (3A)”;

(c) by inserting, immediately after subsection (6), the following subsection:

“(7) Notwithstanding anything in this section, the tax relief period of a development and expansion company that is deemed to be an approved company for the purposes of section 43ZF of the Income Tax Act (Cap. 134) under regulations made under that section, shall expire on 1st June 2011 and shall not be extended.”.

Amendment of section 19KA

4. Section 19KA(1) of the principal Act is amended by deleting the words “section 19K(1), (2) and (3)” in paragraph (a) and substituting the words “section 19K(1), (2), (3), (3A) and (3B)”.

Repeal and re-enactment of Part XIID

5. Part XIID of the principal Act is repealed and the following Part substituted therefor:

“PART XIID

INTEGRATED INVESTMENT ALLOWANCE

Interpretation of this Part

97ZA. In this Part, unless the context otherwise requires —

“approval letter” means a letter issued under section 97ZB(4);

“approved project” means a project approved by the Minister under section 97ZB(2);

“concessionary income” means income subject to tax at a concessionary rate of tax under this Act or the Income Tax Act (Cap. 134), or under the regulations made under any of those Acts;

“fixed capital expenditure”, in relation to any qualifying equipment for an approved project, means capital expenditure (including capital expenditure on alteration to any building incidental to the installation of the qualifying equipment) to be incurred on the qualifying equipment on or after the investment day for the approved project in question;

“IIA” means an integrated investment allowance given under section 97ZC;

“investment day”, in relation to an approved project, means the date specified in section 97ZB(4)(b) for the project;

“net chargeable concessionary income” means concessionary income after deducting expenses,

donations, allowances or losses allowable under the Income Tax Act against the concessionary income, and after deducting investment allowance (if any) under Part X;

“net chargeable normal income” means normal income after deducting expenses, donations, allowances or losses allowable under the Income Tax Act against the normal income, and after deducting investment allowance (if any) under Part X;

“normal income” means income subject to tax at the rate of tax under section 43(1)(a) of the Income Tax Act;

“project company” means the company referred to as such in section 97ZB(1);

“qualifying equipment”, in relation to a company which is issued an approval letter in relation to an approved project to be carried out by that company, means —

(a) any new productive equipment; or

(b) any secondhand productive equipment (other than productive equipment sold and repurchased by the company),

to be provided to and used by a project company solely for manufacturing any product for the first-mentioned company or providing specialised engineering or technical services on behalf of or to the first-mentioned company under the approved project;

“qualifying period”, in relation to any qualifying equipment, means the period specified in section 97ZB(4)(b) for that equipment.

Application for approval of project

97ZB.—(1) Where a company proposes to carry out a project outside Singapore under which another company (referred to in this Part as the project company) —