

**Income Tax (Amendment) Act 1995  
(No. 32 of 1995)**

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The following Act was passed by Parliament on 27th September 1995 and assented to by the President on 2nd October 1995:—

## **INCOME TAX (AMENDMENT) ACT 1995**

**(No. 32 of 1995)**

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I assent.

ONG TENG CHEONG

*President.*

*2nd October 1995.*

### **Date of Commencement: 13th October 1995**

An Act to amend the Income Tax Act (Chapter 134 of the 1994 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 Income Tax (Amendment) Act 1995.

(2) Sections 7(c), 8 and 25 shall be deemed to have come into operation on 1st March 1995.

(3) Sections 3(a), 7(b), 17, 22 and 24 shall have effect for the year of assessment 1995 and subsequent years of assessment.

(4) Sections 2, 3(b), 4, 6, 7(a), 12, 13, 14, 15, 18, 19, 20, 21 and 23 shall have effect for the year of assessment 1996 and subsequent years of assessment.

### **Amendment of section 2**

2. Section 2(1) of the Income Tax Act (referred to in this Act as the principal Act) is amended by deleting the definition of “employee” and substituting the following definition:

“ “employee” —

(a) in relation to a company, includes a director of the company;

and

- (b) in relation to a statutory board, includes the chairman and any member of the statutory board,

and “employer” and other cognate expressions shall be construed accordingly;”.

### **Amendment of section 10**

#### **3. Section 10 of the principal Act is amended —**

- (a) by deleting paragraphs (a) and (b) of subsection (4) and substituting the following paragraphs:

“(a) a Singapore ship which is owned by a shipping enterprise within the meaning of section 13A at the time the balancing charge falls to be made in respect of the Singapore ship, but only up to the amount ascertained in accordance with the formula

$$\frac{A}{B} \times C,$$

where A is the amount of allowances under section 19 made to the enterprise in respect of the Singapore ship against any income exempt from tax under section 13A;

B is the total amount of allowances under section 19 or 19A which have been made in respect of the ship during the period it is owned by the enterprise; and

C is the amount of balancing charge;

- (b) a foreign ship the income derived from the operation of which would be income of an approved international shipping enterprise within the meaning of section 13F, but only up to the amount

ascertained in accordance with the formula  $\frac{X}{Y} \times Z$ ,

where X is the amount of allowances under section 19 or 19A made to the enterprise in respect of the foreign ship against any income exempt from tax under section 13F;

Y is the total amount of allowances under section 19 or 19A which have been made in respect of the ship during the period it is owned by the enterprise; and

Z is the amount of balancing charge.”;

”

(b) by inserting, immediately after subsection (11), the following subsections:

“(11A) Any distribution made by a designated unit trust to any unit holder out of —

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45); and
- (c) dividends derived from outside Singapore and received in Singapore,

which do not form part of the statutory income of the designated unit trust by virtue of section 35(7A) shall, subject to subsection (11B), be deemed to be income of the unit holder if he is not a foreign investor.

(11B) Where any distribution made out of gains or profits referred to in subsection (11A)(a) is made to a unit holder who is an individual resident in Singapore, only an amount equal to 10% of the distribution shall be deemed to be income of that unit holder.

(11C) Where a designated unit trust had also been approved