

Income Tax (Amendment) Bill

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Bill No: 18/1969

Read the first time: 15th October 1969

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Income Tax (Amendment) Bill

Bill No. 18/1969

Read the first time on 15th October 1969.

An Act to amend the Income Tax Ordinance (Chapter 166 of the 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, 1969, and shall come into operation on the 1st day of January 1970.

(2) Save as otherwise provided, this Act shall have effect for the year of assessment 1970 and subsequent years of assessment.

Amendment of section 6

2. Section 6 of the Income Tax Ordinance (hereinafter in this Act referred to as “the Ordinance”) is hereby amended by inserting immediately after subsection (8) thereof the following new subsection: —

“(9) Notwithstanding anything contained in this section, the Comptroller may furnish to the Manager of the Central Provident Fund Board any information which may be required by the Manager of the said Board in the performance of his duties, or may permit such access to any records or documents as may be necessary for such purpose.”.

Amendment of section 13

3. Section 13 of the Ordinance is hereby amended —

- (a) by deleting the colon appearing at the end of paragraph (s) of subsection (1) thereof and substituting therefor a semi-colon;
- (b) by inserting immediately thereafter the following new paragraphs: —

“(t) the income derived on or after the 20th day of August 1968, from interest on monies held on deposit in an approved bank in Singapore by —

(i) a non-resident individual; and

(ii) a person, other than an individual, if such person does not, by himself or in association with others, carry on a business in Singapore, and does not have a permanent establishment in Singapore;

(u) any interest derived on or after the first day of January, 1968, by any person from the deposit of monies with the Savings Bank constituted under the Post Office Savings Bank Ordinance (Cap. 106);”;
and

- (c) by inserting immediately after subsection (5) thereof the following new subsections: —

“(6) For the purposes of this section —

“approved bank” means a bank in Singapore approved by the Minister by order published in the *Gazette*;

“permanent establishment” means a fixed place where a business may be wholly or partly carried on and in particular includes —

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

- (f) a mine, oil well, quarry or other place of extraction of natural resources;
- (g) a building site, a construction or assembly project; and
- (h) a farm or plantation.

(7) The Minister may by order exempt from tax the income received by a person resident in Singapore from such sources in any country outside Singapore (other than a country with which an arrangement for the avoidance of double taxation remains in effect) as may be specified in the order.

(8) Any order made under subsection (7) of this section may be either general or specific and may prescribe the conditions subject to which the tax shall be exempted and the manner in which application for exemption is to be made.”.

New section 13A

4. The Ordinance is hereby amended by inserting immediately after section 13 thereof the following new section: —

“Exemption of shipping profits

13A.—(1) (a) There shall be exempt from tax the income of a shipping enterprise derived or deemed to be derived on or after the first day of January, 1969, from the operation of Singapore ships as hereinafter provided.

(b) Such exemption shall be backdated to the date of provisional registration if the owner has subsequently obtained a permanent certificate of registration in respect of the ship.

(2) A shipping enterprise shall maintain separate accounts for the income derived or deemed to be derived from the operation of each Singapore ship:

Provided that where expenses have been incurred by a shipping enterprise which are not directly attributable to a Singapore ship the Comptroller may allocate as expenses such amounts which might reasonably and properly have been incurred in the normal course of its business in respect of such ship:

And provided further that in determining the income of a shipping enterprise the capital allowances provided for in sections 16, 17, 18, 19, 20, 21 and 22 of this Ordinance shall be duly taken into account notwithstanding that no claim for such allowances has been made.

(3) Where a shipping enterprise has in respect of the operation of Singapore ships incurred a loss for any year such loss shall be available as a deduction as provided for in subsection (2) of section 37 of this Ordinance.

(4) The Comptroller shall for each year of assessment issue to a shipping enterprise a statement showing the amount of income derived from the operation of Singapore ships by the shipping enterprise; and Parts XI and XII of this Ordinance (relating to objections and appeals) and any rules made under this Ordinance shall apply *mutatis mutandis* as if such statement were a notice of assessment.

(5) Subject to subsection (8) of this section where any statement issued under subsection (4) of this section has become final and conclusive, the amount of income shown therein shall not form part of the statutory income of a shipping enterprise for the year of assessment to which the statement relates and shall be exempt from tax:

Provided that the Comptroller may, before such statement has become final and conclusive, treat a specified amount of the income of a shipping enterprise as exempt from tax pending such statement becoming final and conclusive.

(6) The following provisions shall apply to a shipping enterprise resident in Singapore: —

- (a) as soon as any amount of income of the shipping enterprise is exempted under subsection (5) of this section, such amount shall be credited to an account to be kept by the shipping enterprise for the purpose of this section;
- (b) where such account is in credit at the date on which any dividends are paid by the shipping enterprise out of income which has been exempted, an amount equal to such dividends or to such credit, whichever is the lesser, shall be debited to such account;
- (c) so much of the amount of any dividends debited to such account as are received by a shareholder in the shipping enterprise shall, if the Comptroller is satisfied with the entries in such account, be exempt from tax in the hands of such shareholder;
- (d) any dividends debited to such account shall be treated as having been