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**No. S 168**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INCOME ARISING FROM  
FUNDS MANAGED BY FUND MANAGER IN SINGAPORE)  
(AMENDMENT) REGULATIONS 2017**

In exercise of the powers conferred by section 13X of the Income Tax Act, the Minister for Finance makes the following Regulations:

**Citation and commencement**

1. These Regulations are the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) (Amendment) Regulations 2017 and are deemed to have come into operation on 1 April 2015.

**Amendment of title**

2. The Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 414/2010) (called in these Regulations the principal Regulations) are amended by deleting the words “BY FUND MANAGER IN SINGAPORE” in the title and substituting the words “IN SINGAPORE BY FUND MANAGER”.

**Amendment of regulation 1**

3. Regulation 1 of the principal Regulations is amended by deleting the words “by Fund Manager in Singapore” and substituting the words “in Singapore by Fund Manager”.

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**Amendment of regulation 2****4. Regulation 2 of the principal Regulations is amended —**

- (a) by deleting the words “which is a private equity fund, a real estate fund or an infrastructure fund” in the definition of “committed funds”; and
- (b) by deleting the full-stop at the end of the definitions of “designated investments” and “specified income” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

“ “income-deriving activity” means an activity that is capable of generating income that is exempt from tax under section 13X of the Act.”.

**Amendment of regulation 3**

**5.** Regulation 3(2) of the principal Regulations is amended by deleting the words “fund manager in Singapore” in sub-paragraph (b) and substituting the words “fund manager”.

**Amendment of regulation 3A****6. Regulation 3A(2) of the principal Regulations is amended —**

- (a) by deleting the words “any income-deriving activities” in sub-paragraph (b)(i) and (ii) and substituting in each case the words “any income-deriving activity”;
- (b) by deleting the words “fund manager in Singapore” in sub-paragraph (b)(i)(A) and (B) and (ii)(A) and (B) and substituting in each case the words “fund manager”; and
- (c) by inserting, immediately after the words “which are carrying on” in the definition of “A” in sub-paragraph (b)(ii), the words “one or more”.

**Deletion of regulations 3B, 4, and 5 and new regulations 3B, 3C, 3D, 4 and 5**

**7.** Regulations 3B, 4 and 5 of the principal Regulations are deleted and the following regulations substituted therefor:

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**“Exemption from tax under section 13X(1)(c) of Act**

**3B.**—(1) For the purpose of section 13X(1)(c) of the Act, subject to the conditions in paragraph (2) and regulations 4, 5 and 6, the following income is exempt from tax for any year of assessment:

- (a) in the case of a company which is the approved master fund or an approved feeder fund of an approved master-feeder fund-SPV structure, any specified income derived by the company from funds of the company managed in Singapore by a fund manager in respect of designated investments;
- (b) in the case of a trustee of a trust fund which is the approved master fund or an approved feeder fund of an approved master-feeder fund-SPV structure, any specified income derived by the trustee from funds of the trust fund managed in Singapore by a fund manager in respect of designated investments;
- (c) in the case of a partner of a limited partnership which is the approved master fund or an approved feeder fund of an approved master-feeder fund-SPV structure, the share to which the partner is entitled in any specified income derived by the partnership from funds of the partnership managed in Singapore by a fund manager in respect of designated investments;
- (d) in the case of an approved 1st tier SPV of an approved master-feeder fund-SPV structure, any specified income derived by the approved 1st tier SPV from funds of the approved master fund or an approved feeder fund of that structure managed in Singapore by a fund manager in respect of designated investments;
- (e) in the case of an approved 2nd tier SPV of an approved master-feeder fund-SPV structure, any specified income derived by the approved 2nd tier SPV from funds of the approved master fund or an approved feeder fund of that structure managed in Singapore by a fund manager in respect of designated investments.

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(2) The conditions mentioned in paragraph (1) are —

- (a) throughout the basis period for that year of assessment, the funds of the approved master fund or approved feeder fund, as the case may be, are managed in Singapore by a fund manager;
- (b) the approved master fund —
  - (i) if it is a company, must be incorporated in Singapore and must be resident in Singapore throughout the basis period for that year of assessment;
  - (ii) if it is a trust fund, must be constituted in Singapore and the trustee of which must be resident in Singapore throughout the basis period for that year of assessment; or
  - (iii) if it is a limited partnership, must be registered in Singapore and all the partners of which (including all limited partners) must be resident in Singapore throughout the basis period for that year of assessment;
- (c) at the time of the application for approval of the master-feeder fund-SPV structure, the aggregate amount of —
  - (i) the funds of the master fund, all feeder funds and all SPVs of that structure managed in Singapore by the fund manager; or
  - (ii) if the master-feeder fund-SPV structure is a private equity fund, a real estate fund or an infrastructure fund, the committed funds of the master fund, all feeder funds and all SPVs of that structure managed in Singapore by the fund manager,

is at least an amount which is computed in accordance with the following formula:

$$A \times B,$$

where A is the total number of entities in that structure which are carrying on one or more income-deriving activities at that time; and

B is \$50 million;

- (d) for that year of assessment, no part of the income of the approved master fund, any approved feeder fund or any approved SPV of the approved master-feeder fund-SPV structure (other than any income derived before the approved master-feeder fund-SPV structure was approved as such) —
  - (i) is exempt from tax under section 13C, 13CA, 13G, 13H, 13O, 13P, 13Q, 13R, 13W or 13Y of the Act;
  - (ii) is subject to a concessionary rate of tax under section 43E, 43G or 43Q of the Act; or
  - (iii) is entitled to any tax relief or subject to any concessionary rate of tax under Part III or IIIB of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86);
- (e) the investment strategy of the master-feeder fund-SPV structure remains unchanged from the date the structure is approved as an approved master-feeder fund-SPV structure, unless —
  - (i) the effective date for the change in the strategy is before 1 April 2019; and
  - (ii) the Minister or the Monetary Authority of Singapore is satisfied that the change is made for a bona fide commercial purpose; and
- (f) conditions specified in the letter of approval issued by the Monetary Authority of Singapore approving the master-feeder fund-SPV structure under section 13X of the Act.