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**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INCOME ARISING FROM
FUNDS MANAGED BY FUND MANAGER IN SINGAPORE)
REGULATIONS 2010**

[S 295/2012 wef 07/07/2010]

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

Citation and commencement

1. These Regulations may be cited as the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 and shall be deemed to have come into operation on 1st April 2009.

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Definitions

2. In these Regulations —

“committed funds”, in relation to a company, limited partnership or trust fund which is a private equity fund, a real estate fund or an infrastructure fund, means the funds which, by a written contractual agreement between investors and the company, limited partnership or trust fund, the investors are obliged to contribute to the company, limited partnership or trust fund;

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“designated investments” and “specified income” have the same respective meanings as in the Income Tax (Exemption of Income of Non-residents Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 6/2010), with references to “prescribed person” therein modified to refer to “approved person”.

Exemption from tax under section 13X(1)(a) of Act

3.—(1) Subject to the conditions in paragraph (2) and regulations 4, 5 and 6, there shall be exempt from tax, pursuant to section 13X(1)(a) of the Act, for any year of assessment —

- (a) any specified income derived by an approved person, other than a partner of an approved limited partnership, from funds managed in Singapore by a fund manager in respect of designated investments; and
- (b) in the case of a partner of an approved limited partnership, the share to which he is entitled in any specified income derived by the approved limited partnership from funds managed in Singapore by a fund manager in respect of designated investments.

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(2) The conditions referred to in paragraph (1) are —

- (a) throughout the basis period for that year of assessment, the funds are managed in Singapore by a fund manager;

(b) at the time of the application for approval of the company, limited partnership or trust fund as an approved company, approved limited partnership or approved trust fund for the purposes of section 13X of the Act —

(i) the amount of its funds; or

(ii) if the company, limited partnership or trust fund is a private equity fund, a real estate fund or an infrastructure fund, the amount of its committed funds,

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managed in Singapore by a fund manager in Singapore is at least \$50 million;

(c) for that year of assessment, no part of the income of the approved company or approved limited partnership or trustee of the approved trust fund (other than any income derived before the approved company, approved limited partnership or approved trust fund 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;

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(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 concessionary rate of tax under Part III or IIIB of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86);

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(d) the investment strategy remains unchanged from the date the company, limited partnership or trust fund is so approved as an approved company, approved limited partnership or approved trust fund, as the case may be unless the effective date for the change in the strategy is before 1st April 2014, and the Minister or the Monetary Authority of Singapore is satisfied that the change is made for a *bona fide* commercial purpose; and

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- (e) conditions specified in the letter of approval issued by the Monetary Authority of Singapore approving the company, limited partnership or trust fund, as the case may be, as an approved company, approved limited partnership or approved trust fund under section 13X of the Act.

Exemption from tax under section 13X(1)(b) of Act

3A.—(1) Subject to the conditions in paragraph (2) and regulations 4, 5 and 6, there shall be exempt from tax, pursuant to section 13X(1)(b) of the Act, for any year of assessment —

- (a) in the case of a company or trustee of a trust fund where the company or trust fund is the approved master fund or an approved feeder fund of an approved master-feeder fund structure, any specified income derived by the company or trustee arising from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments; and
 - (b) in the case of a partner of a limited partnership where the partnership is the approved master fund or an approved feeder fund of an approved master-feeder fund structure, the share to which the partner of the partnership is entitled in any specified income derived by the partnership arising from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments.
- (2) The conditions referred to in paragraph (1) are —
- (a) throughout the basis period for that year of assessment, the funds of the company, trust fund or limited partnership, as the case may be, are managed in Singapore by a fund manager;
 - (b) at the time of the application for approval of the master-feeder fund structure —
 - (i) where no feeder fund carries on any income-deriving activities at that time, the aggregate amount of —
 - (A) the funds of the master fund and all feeder funds of that structure managed in Singapore by the fund manager in Singapore; or

(B) if the master-feeder fund structure is a private equity fund, a real estate fund or an infrastructure fund, the committed funds of the master fund and all feeder funds of that structure managed in Singapore by the fund manager in Singapore,

is at least \$50 million; or

(ii) where any feeder fund carries on any income-deriving activities at that time, the aggregate amount of —

(A) the funds of the master fund and all feeder funds of that structure managed in Singapore by the fund manager in Singapore; or

(B) if the master-feeder fund structure is a private equity fund, a real estate fund or an infrastructure fund, the committed funds of the master fund and all feeder funds of that structure managed in Singapore by the fund manager in Singapore,

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

$$A \times B,$$

where A is the aggregate number of the master fund and feeder funds in that structure which are carrying on income-deriving activities at that time; and

B is \$50 million;

(c) for that year of assessment, no part of the income of the approved master fund or any approved feeder fund of the approved master-feeder fund structure (other than any income derived before the approved master-feeder fund 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