

# **Income Tax (Exemption of Income of Foreign Trusts) (Amendment) Regulations 2005**

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**No. S 590**

## **INCOME TAX ACT (CHAPTER 134)**

### **INCOME TAX (EXEMPTION OF INCOME OF FOREIGN TRUSTS) (AMENDMENT) REGULATIONS 2005**

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

### **Citation and commencement**

**1.—**(1) These Regulations may be cited as the Income Tax (Exemption of Income of Foreign Trusts) (Amendment) Regulations 2005.

(2) Regulation 2(b) shall be deemed to have come into operation on 3rd May 2002.

(3) Regulations 2 (*e*) and 4 shall be deemed to have come into operation on 1st June 2003.

(4) Regulation 2(*a*), (*d*), (*f*) and (*g*) shall be deemed to have come into operation on 27th February 2004.

(5) Regulations 2 (*c*), 3, 5 and 6 shall have effect for the year of assessment 2004 and subsequent years of assessment.

## **Amendment of regulation 2**

2. Regulation 2 of the Income Tax (Exemption of Income of Foreign Trusts) Regulations (Rg 24) (referred to in these Regulations as the principal Regulations) is amended —

- (*a*) by inserting, immediately after the definition of “administered by a trustee company”, the following definition:

““compensatory payment” has the same meaning as in section 10N(12) of the Act;”;

- (*b*) by deleting the definition of “designated investments” and substituting the following definition:

““designated investments” has the same meaning as in the Income Tax (Income from Funds Managed for Foreign Investors) Regulations 2003 (G.N. No. S 640/2003);”;

- (*c*) by deleting the words “approved under section 43J of the Act” in paragraph (*b*) of the definition of “eligible holding company” and substituting the words “in Singapore”;

- (*d*) by inserting, immediately after the definition of “nominee”, the following definitions:

““qualifying debt securities” has the same meaning as in section 13(16) of the Act;

“securities lending or repurchase arrangement” has the same meaning as in section 10N(12) of the Act;”;

- (*e*) by deleting paragraphs (*c*), (*d*) and (*e*) of the definition of “specified income” and substituting the following paragraphs:

“(c) rents, royalties, premiums and any other profits

arising from property that are derived from outside Singapore and received in Singapore on or after 1st June 2003;

- (d) gains or profits realised from the sale of any designated investments, or realised on or after 1st June 2003 from the sale of any property the income, if any, from which falls within paragraph (c); and
  - (e) gains or profits arising from transactions in paragraphs (c), (k) and (l) of the definition of “designated investments” in the Income Tax (Income from Funds Managed for Foreign Investors) Regulations 2003 (G.N. No. S 640/2003);”;
- (f) by deleting the word “and” at the end of paragraph (d) of the definition of “specified income”; and
- (g) by inserting, immediately after paragraph (e) of the definition of “specified income”, the following paragraphs:
- “(f) fees and compensatory payments derived on or after 27th February 2004 from securities lending or repurchase arrangements with —
    - (i) a person who is neither a resident of nor a permanent establishment in Singapore;
    - (ii) the Monetary Authority of Singapore;
    - (iii) a bank licensed under the Banking Act (Cap. 19);
    - (iv) a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
    - (v) a finance company licensed under the Finance Companies Act (Cap. 108);
    - (vi) a holder of a capital markets services licence licensed to carry on business in the following regulated activities under the Securities and Futures Act (Cap. 289)