

**Income Tax (Income from Funds Managed for Foreign Investors) (Amendment)
Regulations 2005**

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No. S 591

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (INCOME FROM FUNDS MANAGED FOR FOREIGN INVESTORS)
(AMENDMENT) REGULATIONS 2005**

In exercise of the powers conferred by section 13C 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 (Income from Funds Managed for Foreign Investors) (Amendment) Regulations 2005 and shall, with the exception of regulation 2(*b*), (*c*) and (*g*), be deemed to have come into operation on 27th February 2004.

(2) Regulation 2(*b*), (*c*) and (*g*) shall be deemed to have come into operation on 1st January 2004.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Income from Funds Managed for Foreign Investors) Regulations 2003 (G.N. No. S 640/2003) is amended —

- (a) by deleting the definition of “compensatory payment” and substituting the following definition:

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

- (b) by deleting the words “banks approved under section 13(13) of the Act” in paragraph (g) of the definition of “designated investments” and paragraph (b) of the definition of “specified income” and substituting in each case the words “any approved bank as defined in section 13(16) of the Act”;
- (c) by deleting paragraph (l) of the definition of “designated investments” and substituting the following paragraph:

“(l) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and swaps, forwards and option contracts relating to any designated investment or financial index, with —

(i) an Asian Currency Unit of a financial institution, or an Approved Securities Company, before 1st January 2004;

(ii) a financial sector incentive company which is —

(A) a bank licensed under the Banking Act (Cap. 19);

(B) a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186); or

(C) a holder of a capital markets services licence under the Securities and Futures Act (Cap. 289) to deal in securities or a company exempted under that Act from holding such a licence,

on or after 1st January 2004;

- (iii) a person who is neither a resident of nor a permanent establishment in Singapore; or
 - (iv) a branch office outside Singapore of a company resident in Singapore; and”;
- (d) by deleting the word “and” at the end of paragraph (l) of the definition of “designated investments”;
- (e) by inserting, immediately after paragraph (m) of the definition of “designated investments”, the following paragraphs:
 - “(n) qualifying debt securities that are discount securities which mature within one year from the date of issue of those securities and are issued during the period from 27th February 2004 to 31st December 2008 (both dates inclusive); and
 - (o) securities (including bonds, notes, certificates of deposits and treasury bills, but excluding stocks and shares) issued by supranational bodies;”;
- (f) by deleting the definitions of “designated securities” and “Equity Capital Market Intermediary”;
- (g) by inserting, immediately before the definition of “foreign investor”, the following definition:

“ “financial sector incentive company” has the same meaning as in section 43Q of the Act;”;
- (h) by inserting, immediately after the definition of “foreign investor”, 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;”;
- (i) by deleting the word “and” at the end of paragraph (d) of the definition of “specified income”; and
- (j) by deleting paragraph (e) of the definition of “specified income” and substituting the following paragraphs: