

# **Income Tax (Concessionary Rate of Tax for Approved Global Trading Companies) Regulations 2003**

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**No. S 204**

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

### **INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED GLOBAL TRADING COMPANIES) REGULATIONS 2003**

In exercise of the powers conferred by section 43P of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

#### **Citation and commencement**

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1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Approved Global Trading Companies) Regulations 2003 and shall be deemed to have come into operation on 1st June 2001.

## Definitions

2. In these Regulations, unless the context otherwise requires —

“approved commodity exchange” means any commodity exchange which is approved for the purposes of these Regulations by the Minister or such person as he may appoint;

“approved global trading company” means a global trading company which is approved for the purposes of section 43P of the Act by the Minister or such person as he may appoint;

“approved international commodity trading company” means an international commodity trading company which is approved for the purposes of section 43H of the Act by the Minister or such person as he may appoint;

“approved oil trading company” means an oil trading company which is approved for the purposes of section 43F of the Act by the Minister or such person as he may appoint;

“commodity” means any of the commodities specified in the First Schedule;

“commodity futures trading” means trading in commodity futures contracts or options in any commodity on any exchange specified in the Second Schedule or on any approved commodity exchange, carried out by an approved global trading company in accordance with the rules and regulations or customs and practices of that exchange with —

- (a) a person who is neither a resident of nor a permanent establishment in Singapore;
- (b) a branch office outside Singapore of a company resident in Singapore;
- (c) an Asian Currency Unit of a financial institution;
- (d) a futures member of the Singapore Exchange;
- (e) a member of the Singapore Commodity Exchange;
- (f) an approved oil trading company;
- (g) an approved international commodity trading company; or
- (h) another approved global trading company;

“over the counter hedging transaction” has the meaning given to it in regulation 4;

“physical trading” means trading in any commodity on a spot or forward basis where the intention of the parties at the time of the transaction is that actual delivery of the commodity is required, whether or not it is actually made, and where the commodity is purchased by an approved global trading company from and sold to —

- (a) a person who is neither a resident of nor a permanent establishment in Singapore;
- (b) a branch office outside Singapore of a company resident in Singapore;
- (c) an approved oil trading company;
- (d) an approved international commodity trading company;
- (e) another approved global trading company;
- (f) a person who carries on the business of refining petroleum in Singapore; or
- (g) a petrochemical manufacturing company in Singapore which is approved on or after 1st November 1996 by the Minister or such person as he may appoint,

but does not include —

- (i) any transaction in which the commodity is purchased for the purposes of consumption in Singapore or for the supply of fuel to aircraft or vessels within Singapore; and
- (ii) any transaction in which the petroleum or petroleum product is both purchased from and sold to any petrochemical manufacturing company in Singapore which is approved on or after 1st November 1996 by the Minister or such person as he may appoint;

“qualifying transaction” means any of the following transactions carried out by an approved global trading company in a currency other than Singapore dollar:

- (a) physical trading;
- (b) commodity futures trading;
- (c) over the counter hedging transaction.

### **Approved global trading company**