

# **Income Tax (Concessionary Rate of Tax for Derivatives Activities) Regulations 2003**

## **Table of Contents**

## **Enacting Formula**

### **1 Citation and commencement**

### **2 Definitions**

### **3 Concessionary rate of tax on income derived by Approved Securities Company**

### **4 Concessionary rate of tax on income derived by Approved Securities Company as Approved Derivatives Trader**

### **5 Determination of income chargeable to tax**

**No. S 637**

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

### **INCOME TAX (CONCESSIONARY RATE OF TAX FOR DERIVATIVES ACTIVITIES) REGULATIONS 2003**

In exercise of the powers conferred by section 43A 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 (Concessionary Rate of Tax for Derivatives Activities) Regulations 2003 and shall have effect for the year of assessment 2003 and subsequent years of assessment.

## Definitions

### 2. In these Regulations —

“Approved Derivatives Trader” means an Approved Securities Company approved during the period from 20th May 2002 to 31st December 2003 (both dates inclusive) as an Approved Derivatives Trader for a period not exceeding 5 years by the Minister or such person as he may appoint;

“Approved Securities Company” means a company approved for derivatives activities under section 43A(1)(c) of the Act for the purpose of these Regulations;

“financial derivatives” means derivatives the payoffs of which are linked, whether in whole or in part, to the payoffs or performance of any financial assets, securities, financial instruments or indices.

### Concessionary rate of tax on income derived by Approved Securities Company

### 3. Tax shall be payable at the rate of 10% on the income derived by an Approved Securities Company from —

- (a) services as an intermediary in connection with transactions relating to financial derivatives in currencies other than Singapore dollars for —
  - (i) an Asian Currency Unit of a financial institution;
  - (ii) a person who is neither resident in Singapore nor a permanent establishment in Singapore;
  - (iii) a branch office outside Singapore of a company resident in Singapore; or
  - (iv) another Approved Securities Company; and
- (b) trading in financial derivatives in currencies other than Singapore dollars with —
  - (i) an Asian Currency Unit of a financial institution;
  - (ii) a person who is neither resident in Singapore nor a permanent establishment in Singapore;
  - (iii) a branch office outside Singapore of a company resident in Singapore; or
  - (iv) another Approved Securities Company.