

Income Tax (Concessionary Rate of Tax for Income from Transactions in Approved Derivative Products) Regulations 2003

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No. S 639

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (CONCESSIONARY RATE OF TAX FOR INCOME FROM TRANSACTIONS IN APPROVED DERIVATIVE PRODUCTS) REGULATIONS 2003

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

Citation

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Income from Transactions in Approved Derivative Products) Regulations 2003.

Definitions

2. In these Regulations —

“approved derivative product” means a derivative product, including an Exchange Traded Fund, which —

- (a) is denominated in any foreign currency;
- (b) commenced trading on the futures or securities markets maintained by the Singapore Exchange Limited or any of its subsidiaries for the first time during the period 1st January 2002 to 31st December 2006 (both dates inclusive); and
- (c) is approved for the purpose of these Regulations by the Minister or such other person as he may appoint;

“Exchange Traded Fund” means an investment fund that tracks a specific index or fixed basket of stocks, and is traded on the Singapore Exchange;

“member” means —

- (a) where the qualifying year of assessment is the year of assessment 2003 or 2004 —
 - (i) a futures member of the Singapore Exchange whose membership is of the class or description known as “corporate membership”; and
 - (ii) any member of any securities market maintained by the Singapore Exchange Securities Trading Limited; and
- (b) where the qualifying year of assessment is the year of assessment 2005 or any subsequent year of assessment —
 - (i) a futures member of the Singapore Exchange as defined in section 43D(4) of the Act; and
 - (ii) any member of any securities market maintained by the Singapore Exchange Securities Trading Limited;

[S 300/2004 wef 30/12/2003]

“qualifying year of assessment”, in relation to an approved derivative product, means any year of assessment which is within the period of 3 years of assessment immediately following the year of commencement of trading of that approved derivative product on the futures or securities markets maintained by the Singapore Exchange Limited or any of its subsidiaries.

Concessionary rate of 5% on income from transaction in approved new derivative product