

Income Tax (Qualifying Debt Securities) Regulations 2001

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No. S 212

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (QUALIFYING DEBT SECURITIES) REGULATIONS 2001

In exercise of the powers conferred by sections 13 (1)(a) and (11) and 45(9) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and application

1.—(1) These Regulations may be cited as the Income Tax (Qualifying Debt Securities) Regulations 2001.

(2) Regulation 3(1)(a) shall apply to qualifying debt securities issued during the period from 27th February 1999 to 27th February 2003.

(3) Regulations 3(1)(b) and (c) and 5 shall apply to qualifying debt securities issued during the period from 26th April 1999 to 27th February 2003.

Definitions

2. In these Regulations —

“approved bond intermediary”, “financial institution” and “qualifying debt securities” have the same meanings as in section 13(11) of the Act;

“debt securities” means bonds, notes, commercial papers and certificates of deposit other than Singapore Government securities;

“funds from Singapore operations”, in relation to a person, means the funds and profits of that person’s operations through a permanent establishment in Singapore;

“offering documents” means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities;

“programme” includes a medium term note programme, a commercial paper programme or any similar programme for the issue of debt securities;

“tranche” means a particular issue of debt securities under a programme.

Prescribed conditions for tax exemption on interest income from qualifying debt securities

3.—(1) The conditions referred to in section 13(1)(a) of the Act are as follows:

- (a) the exemption from tax shall not apply to any interest derived by a permanent establishment in Singapore;
- (b) the issuer of the qualifying debt securities includes in all offering documents a statement to the effect that where interest is derived from any qualifying debt securities issued during the period from 27th February 1999 to 27th February 2003 by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if such person acquires such securities using funds from Singapore operations; and
- (c) where the issuer of the qualifying debt securities is a person who is a resident of or a permanent establishment in Singapore and where such securities are issued to any person who is not a resident of Singapore (referred to in this sub-paragraph as the non-resident person) in connection