

Income Tax (Concessionary Rate of Tax for SIMEX Members) (Amendment No. 2) Regulations 1996

Table of Contents

Enacting Formula

1

2

3

No. S 181

**INCOME TAX ACT
CHAPTER 134**

**INCOME TAX (CONCESSIONARY RATE OF TAX FOR SIMEX MEMBERS)
(AMENDMENT NO. 2) REGULATIONS 1996**

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

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for SIMEX Members) (Amendment No. 2) Regulations 1996 and shall have effect for the year of assessment 1996 and subsequent years of assessment.

2. The Income Tax (Concessionary Rate of Tax for SIMEX Members) Regulations (Rg 16) are amended by inserting, immediately after regulation 3, the following regulation:

“3A.—(1) Notwithstanding regulation 3, tax shall be payable at the rate of 5% on the incremental income derived by a company which is a SIMEX corporate member for any qualifying year of assessment from any designated transaction, if the following conditions are satisfied:

- (a) the company has been a SIMEX corporate member for at least 3 years immediately preceding that qualifying year of assessment; and
- (b) the company is among the top 20 SIMEX corporate members as determined by SIMEX in respect of the total volume of transactions (excluding trades cleared for other SIMEX members) in SIMEX contracts in the year immediately preceding the year in which trading of the designated futures on SIMEX commences.

(2) For the purposes of this regulation —

“designated futures” means any financial futures or petroleum futures (including futures in petroleum products) or gold futures which commenced trading on SIMEX on or after 1st April 1994;

“designated transaction” means any relevant transaction where the futures transacted is a designated futures;

“incremental income”, in relation to any designated transaction carried out by a company for any qualifying year of assessment, means the amount of income determined in accordance with the formula —



whichever is the less,

- where
- (A) is the relevant income of the company from the designated transactions relating to the same designated futures for that qualifying year of assessment;
 - (B) is the relevant income of the company from the designated transactions relating to the same designated futures as in A for the qualifying year of assessment in which tax at the rate of 5% under this regulation was last levied on the relevant income from such designated transactions; or