

Income Tax (Provisions by Banks) (Definition of Loan) Rules 1992

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No. S 399

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (PROVISIONS BY BANKS) (DEFINITION OF LOAN) RULES 1992

In exercise of the powers conferred by sections 7 and 14I(6) of the Income Tax Act, the Minister for Finance hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Income Tax (Provisions by Banks) (Definition of Loan) Rules 1992 and shall have effect for the year of assessment 1992 and subsequent years of assessment.

Exclusion of certain advances from definition of loan

2. For the purposes of paragraph (e) of the definition of “loan” in section 14I(6) of the Act, “loan” means any loan or advance made or granted by a bank, including an overdraft, except for any advance made on the discounting or purchase of any bill of exchange which —

- (a) is denominated in Singapore dollars and accepted or endorsed by any bank in Singapore;
- (b) arises from a genuine trade transaction and is payable within 3 months of acceptance or endorsement; and