

Income Tax (Income from Funds Managed for Foreign Investors) Regulations

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INCOME TAX ACT (CHAPTER 134, SECTION 13C)

INCOME TAX (INCOME FROM FUNDS MANAGED FOR FOREIGN INVESTORS) REGULATIONS

Rg 8

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Citation

1. These Regulations may be cited as the Income Tax (Income from Funds Managed for Foreign Investors) Regulations.

Definitions

2. In these Regulations —

“approved fund manager” means any Asian Currency Unit or fund manager approved under section 13C or 43A of the Act;

“approved securities company” means a company approved under section 43A(1)(c) of the Act;

“designated investments” means —

- (a) stocks and shares denominated in any foreign currency of companies not incorporated and not resident in Singapore, excluding stocks and shares of companies incorporated in Malaysia which are listed on the Singapore Exchange or on the Kuala Lumpur Stock Exchange;
- (b) securities (other than stocks and shares) denominated in any foreign currency, including bonds, notes, certificates of deposit and treasury bills issued by foreign governments, foreign banks outside Singapore and companies not incorporated and not resident in Singapore;
- (c) futures contracts denominated in any foreign currency held in any futures exchange;
- (d) any immovable property situated outside Singapore;
- (e) certificates of deposit, notes and bonds issued by Asian Currency Units in Singapore;
- (f) Asian Dollar Bonds approved under section 13(1)(v) of the Act;
- (g) deposits in Singapore with banks approved under section 13(13) of the Act;
- (h) foreign currency deposits with financial institutions outside Singapore;
- (i) stocks, shares, bonds and other securities listed on the Singapore Exchange or on the Kuala Lumpur Stock Exchange and other stocks, shares, bonds and securities issued by companies incorporated and resident in Singapore;
- (j) Singapore Government securities;
- (k) foreign exchange transactions in currencies other than Singapore

dollars;

(*l*) transactions in currencies other than Singapore dollars carried out on or after 1st April 1993 in interest rate or currency contracts on a forward basis, interest rate or currency options and interest rate or currency swaps with —

(i) an Asian Currency Unit of a financial institution;

(ii) a person who is neither a resident of nor a permanent establishment in Singapore; or

(iii) a branch office outside Singapore of a company resident in Singapore; and

(*m*) units in any unit trust which invests wholly in designated investments;

“designated person” means the Government of Singapore Investment Corporation Pte. Ltd., any statutory board or any company which is wholly owned, directly or indirectly, by the Minister (in his capacity as a corporation established under the Minister for Finance (Incorporation) Act (Cap. 183)) and which is approved by the Minister or such person as he may appoint;

“foreign investor” —

(*a*) in relation to an individual, means an individual who is not resident in Singapore and not a citizen of Singapore and who is the beneficial owner of the funds managed by an approved fund manager;

(*b*) in relation to a company, means a company not resident in Singapore where not more than 20% (excluding the total percentage owned directly by designated persons) of its issued share capital is beneficially owned, directly or indirectly, by persons who are citizens of Singapore or resident in Singapore; and

(*c*) in relation to a trust fund, means a trust fund where not more than 20% (excluding the total percentage held directly by designated persons) of the value of the fund is beneficially held, directly or indirectly, by persons who are not foreign investors referred to in paragraph (*a*) or (*b*);

“specified income” means —

(*a*) interest and dividends derived from outside Singapore and received in Singapore in respect of any designated investments;